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LABOR PROBLEMS IN SOUTHEAST ASIA

By

VIRGINIA THOMPSON

With a Preface by Wilfrid Benson, Director, Division of Non-Self-Governing Territories of the United Nations Secretariat

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By the Same Author

French Indo-China
Thailand, the New Siam
Postmortem in Malaya

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NOTE

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This book constitutes a report of a longterm project in the international research program of the Institute of Pacific Relations. The disturbed conditions in Southeast Asia have made it impossible to deal as fully as had originally been hoped with the wartime and postwar labor problems of the area. Many of these more recent developments, however, will be discussed in the author's forthcoming study of the effects of the Japanese occupation in Southeast Asia. This new study will probably be published under the auspices of the American Institute of Pacific Relations during 1948.

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William L. Holland
Secretary-General

New York
July 1947

PREFACE[1]

IMPERIALISM, IN THE FORM of the government of weaker peoples by the peoples of the West, was an element in the explosion which rent an explosive world economy. Western society had failed to control its own inventions. The palliative of geographical expansion had produced a struggle for trade and raw materials which at a late date led to Western rule. Through this expansion the world was ringed by a powder train leading from and back to the Western countries.

There is now a recession of this form of imperialism. In the strength of its industrial revolution, Western Europe had gained the economic and political control of much of the world and of its products. To some extent, it had won spiritual control. The system which seemed nearly all-powerful was nearly all-desirable; and the West, out of the abundance of its adventurers and its adventures, produced men of outstanding character and ideas and inventions of outstanding value. Now in Southeast Asia the tide has turned. As the London *Times* reported in 1942, the fall of Singapore was something "more than the evacuation of a city; it was the end of an epoch."

Long-term factors, such as the spread of industrial techniques to other civilizations, the decline of the Western birth-rate and the very success with which some of the most valid Western conceptions had been received, together with immediate circumstances, such as the failure of Europe and of America to protect their interests, the success, short-lived though it was, of an Asiatic power and the rapidity of the Japanese surrender, make impossible a return to pre-1942 conditions and assure the determined resistance of Southeast Asia to any reimposition of former colonial rule.

Account needs also to be taken of other features in the change. Western Europe resents the criticisms directed against her past record. Western Europe reached a high stage of civilization, has suffered grievously, and can claim that its contribution to world progress has been considerable and includes many achievements in its colonial policies. There is indeed something of a Greek tragedy in the decline of power due to the fulfilment of the Western destiny as the awakener of aspirations inherent in Western thought. The results are a sensitiveness which cannot stomach ill-considered condemnations of "colonial exploitation" and a determination to resist criticism by counter-criticism and force by counterforce. Secondly, if a vacuum of political anarchy comes about in any

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[1] The views expressed in this preface are those of the writer alone.

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177 part of Southeast Asia for even short periods, new forces may fill it, while avoiding the responsibilities of government provided by the colonial system. The new or re-established nations cannot avoid contact with the old and the new forces. The tools, the experience and perhaps the doctrines they need are to be found abroad, for the vast increase in their peoples has added to the problem of poverty so that it can only be solved by the increasing use of perfected forms of production in agriculture and in industry.

177 The independence of the Philippine Republic, the preparations for independence in Indonesia, the recognition of Viet Nam, the constitutional
648 progress of Burma, thus not only mark a local epoch; they are of worldwide significance. In many cases, they represent a change of national policies. Internationally, in Chapter XI of the United Nations Charter, countries responsible for the administration of Non-Self-Governing Territories have undertaken "to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions." Events in Southeast Asia and the course of discussions at the General Assembly of the United Nations suggest that the general principles of Chapter XI cannot be relegated to the future as pious aspirations. For good or for insufficient reasons, the pattern of past colonial rule has been broken, and the trend of world policy presupposes the relaxation of the political controls established by the Western powers in Southeast Asia and the rapid emergence of new sovereign states.

Even so, the basic problem of Southeast Asia in relation to world affairs is not the passing of the colonial stage of government. It is the broader problem of the evolution towards self-reliance of communities which in the past were largely controlled by outside forces in their economic and social, as well as in their political life, and which at present must seek some adjustment with these and other world forces. The political aspects of the problem are narrowing. They mainly relate to the detailed questions of when, where and how political autonomy will be established. On the other hand, Southeast Asia may long remain under foreign domination in matters of economic and social policy, with the danger that indirect control will be established without responsibility and that the next center of world rivalries will be found in the region.

The countries of Southeast Asia will be unable to play their part in the peace and prosperity of the world without drastic improvements in the economic and social life of their peoples. Poverty, unbalanced economic development, ill health, ignorance, labor difficulties and the exploitation of the weak by the strong, which were problems during the period of European control, will not be abolished by the abolition of such control. The change is that the countries will need economic and social assistance which can aid their political evolution.

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In this general problem of Southeast Asia, it would be dangerous to neglect the contributing problems of labor standards and labor policies. 121 It is true that the population is predominantly peasant, that the wage earner usually comes from and returns to his land and that wage standards must remain low so long as peasant standards of living are low. Yet with all this, a social revolution was taking place during the colonial period and will spread if the expanding population is to live. In Southeast Asia, as in the rest of the world, this will involve an exodus from the country to the town and to a certain extent, from agriculture to industry. In the country, it will involve the acceleration of the change from subsistence to cash farming, an increase of wage earning as a normal means of making a living, and the penetration of the effects of employment to villages which are as yet remote. And neglect is more than possible. Whereas under colonial rule indigenous leaders were being increasingly associated in the political functions of government, their participation in and training for the complexities of modern production were hopelessly inadequate. Now, not only are the trained technicians scanty, but it is possible that the feudal, static traditions of the countries will leave local opinion indifferent to the lot of the men and women laboring outside the established practices.

Miss Virginia Thompson's studies on labor problems in Southeast Asia 114 are therefore not merely of value to the labor expert and the sociologist; they are of political importance. Despite the difficulties of research when many of the detailed reports were unobtainable and few persons could be consulted on practical conditions, so that some of her statements may be open to question, she has been able to present a valuable synthesis of labor laws and of the problems confronting the administrations, managements and workers in Western undertakings. She has also sketched with skill the postwar developments which appear to be of greatest significance. Whether or not the future will bring out other changes than those she indicates, it seems certain that throughout the period of settlement there will be a close connection between political peace and progress and labor peace and progress. Therefore, that she has political opinions which color her judgment on labor conditions is not a criticism. Without political opinions, any survey of the labor situation would be merely academic.

As Miss Thompson indicates, in many respects the labor policies of the colonial powers were progressive. 466 For some time attention was confined to the regulation of plantation and mining labor, but from the late thirties the importance of a comprehensive labor policy was receiving increased recognition. It could no longer be thought that the administrations' chief responsibility was for conditions of employment on the estates and mines in respect of which they controlled the labor supply. Problems of modern employment were being tackled through minimum wage

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466 legislation, workmen's compensation and the regulation of industrial relations. In Indochina, the Popular Front Government had begun to apply by stages metropolitan French labor legislation to various groups of the workers. In the Indies, between 1940 and 1942 detailed workmen's compensation laws were adopted, the system of employment under penal sanctions was brought to an end, compulsory road labor in the Outer Provinces was abolished, and in Java the whole wage structure was being changed to provide for a general minimum wage for the lowest ranks of workers.

464 Nevertheless, as Miss Thompson states in her first essay, there remained two major labor problems. The labor supply was unsatisfactory and there was no effective labor movement.

Labor migration enabled the employers to meet their immediate needs and in many cases, as between India and Malaya, was well-organized. In the circumstances of much of Southeast Asia, however, it has helped to absorb some of the surplus population rather than to improve living conditions. 458 In times of economic prosperity there was more money in the villages; with the great depression the villages, more dependent on money, were poorer than ever, and those workers who kept their employment saw their wages drop almost or entirely to vanishing point. The skill of the rubber-tapper, the cigarette roller, the batik worker and of other workers in manual operations demanding delicacy of touch was considerable; the industriousness of the Chinese was even excessive; above all, peasant rice production in the wet lands was marked by the fullest use of available resources. But for modern production in industry, labor efficiency was low and in particular the availability of the skilled mechanical worker was in many areas rare and uncertain.

467 Miss Thompson shows the prewar weakness of the labor movements. In Java, the maximum number of organized workers appears to have been reached in 1941 when the membership of trade unions was estimated at 123,500. In the Philippine Islands, at the end of 1940 the total membership of the registered labor organizations was 96,877, and 190,000 workers were estimated to be organized in unregistered unions. There was little unity or continuity among the unions which existed. The Western governments feared the political interests of the labor movements. The seasonal character of much of the employment, labor migration and, in some cases, the racial diversity of the labor force, were other factors making trade union organization difficult.

000 All these problems still exist. An improved standard of living is one of the essentials for stability in Southeast Asia. Such improvement cannot be effected without economic developments, and although these developments will be hindered by labor which is cheap and inefficient, in the absence of much of the equipment of modern industry it will be long before standards of employment in Southeast Asia are comparable with

the standards possible in countries which have already reached industrialization. Nevertheless, labor will remain inefficient rather than cheap unless progress in remuneration and improved services is rapid.

The countries of Southeast Asia should be able to require Western undertakings, whether European or American, to provide better conditions of employment than in the past and to enforce the same standards in any state or cooperative undertakings that may be established for large-scale production. In the case of the services which formed a large part of remuneration, they should be extended to workers in the smaller employments and as far as practicable to the independent producers from which the wage-earning class is drawn. For this purpose, it should be an objective of policy to provide that the social services which have been imposed on large employers in Southeast Asia in the form of estate hospitals, schools and the like, should become the responsibility of the state or the local authority and taxation on the employers should take the place of labor costs in respect of welfare. The change would help to close the gap between the employed and the local population, and, with that pride which newly won self-government can often inspire, the assumption by national governments of the direction of social services may lead to an unexpected response in the desire of the peoples for higher standards of living.

In the second place, modern labor legislation and enforcement should be extended as far as practicable to all forms of employment. Conditions of employment under Asiatic employers have often been oppressive in the extreme. The European administrations were, in many cases, discouraged by the difficulties of control. Where they attempted to complete and to enforce the law, they frequently found worker and employer combining in a tacit understanding to expect no good of European intervention. Here again a new state in its national pride may well be able to arouse a new desire for better living among workers who in the past accepted their bondage with resignation.

A third major problem will be the development of workers' organizations. The argument that trade unions are of Western origin, and therefore unsuited to other conditions, takes little account of the fact that the workers who have been bred under these other conditions have passed into forms of employment in which trade unionism is one of their major forms of protection. A new communal life remains to be built up and the worker combining for his economic defense with his fellow workers may be able to translate into modern conditions of life the principles of mutual help which are among the most admirable characteristics of Southeast Asia. Whether it will early be possible, as Western advisers would hope, to disassociate political from trade union claims is doubtful. The struggle for national political power may well take place in the unions themselves, and the unions are likely to seek a social revolution

600 rather than peace in industry. However that may be, unionism is a force which can no more safely be neglected or suppressed than the political movements whose neglect or suppression in the past strengthened the revolutionary character of the nationalist movements.

With all this it seems probable that large-scale labor migrations will still remain necessary. In Malaya and in particular Sumatra, the local labor supplies are inadequate to exploit the natural riches of the countries, and there are thickly populated countries such as Java where even a rapid development of local resources will still leave a surplus population for which provision cannot be made at home. Where the workers are still mainly illiterate and ignorant, migration and labor recruitment need control at a high level. There is too great a temptation for the village headman and those with local influence to send their people away to labor for their own advantage or as a form of sanction or for the moneylender to keep them in servitude at home. The European governments have had considerable experience in the development of labor migration to a point where the worker was free from the obvious forms of pressure and provision was made for minimum conditions of employment; the workers were no longer the weaklings or wastrels of the village but comprised a high percentage of good workers and citizens. There is much experience to be saved, and, whereas it seems essential that the officers responsible for general labor inspection should be indigenous, the supervision of large-scale migration movements may require a regional organization under the control of the countries of labor demand and supply but staffed internationally.

Mention has already been made of the importance of securing local leadership in production. The new states of Southeast Asia will remain largely colonial so long as there are no national engineers, businessmen and managers capable of taking the chief direction in running each country's undertakings. The basic problem is one of education and of training. For the bulk of the population this must be local. Recent experiences, however, in the training of Indian technicians in England and schemes for the training of Chinese overseers and Filipino fishermen in the United States could be usefully extended with the cooperation of Western firms and workers' organizations. At the same time, employment possibilities must be found. The countries of Southeast Asia would be entitled to require the adoption of quota rules by foreign firms employing labor, to provide for the employment of percentages of national employees in the higher ranks. The temptation, however, should be avoided of using such rules to impose on enterprises employees who are inefficient. An individual may have won the right to take his share in the direction of the political destinies of his country. If he takes his share in its economic life by law rather than by efficiency, the economic life and the public sense of responsibility of his country will be the main sufferers.

There remains the possibility of labor competition within Southeast Asia. The countries will remain competitors in the world markets notably for the sale of their rubber and their tin. As early as 1935, the reduction of wages on rubber estates in Malaya was claimed to result from the lower wage levels in other countries, and it was suggested that the international labor conventions should be uniformly applied in respect of commodities subject to international control schemes. 000

The International Labour Organization's conference of Asiatic Countries (New Delhi, October 1947), attended by representatives of the independent countries and by delegations from the chief Non-Self-Governing Territories, may prove to offer the opportunity of establishing a regional labor organization for Southeast Asia. The tasks of such a regional organization might comprise (1) the application on a uniform basis of international labor standards as adapted to the region, (2) collaboration between the public authorities and managements and workers, (3) labor migration agreements, and (4) minimum wage levels. This organization might hold periodical conferences. Its existence would help to strengthen a regional public conscience concerned with the improvement of living conditions and the development of a regional sense of responsibility for labor policy. It should permit concrete agreements to be reached on many concrete questions of employment. It would enable the representatives to familiarize themselves with the world problems of social policy.

Yet this in itself may not be enough. Labor problems can hardly be treated in isolation from the general problems of health and education, and from the economic foundations on which social policy must be built. The regional labor organization might be expanded with a view to the consideration of other problems of social advance. An Eastern Commission of the Economic and Social Council is being established. Its responsibilities will be broad and its problems many. In addition, it is worth considering whether in the region of Southeast Asia an organization should not be established, in which, with the assistance of and indeed under the control of the local governments, specialized agencies such as the International Labour Organization, the Food and Agriculture Organization, the Educational, Scientific and Cultural Organization and the World Health Organization could cooperate.

This brings back the political question. Any such wide coordinated treatment of social problems in Southeast Asia would conform to the political needs of policy. Southeast Asia may well be a test case of the possibility of a world policy of development through the assistance of poverty-stricken countries. Without such a policy, the political developments which are now inevitable in Southeast Asia may remain sterile and leave the region once more a center of world rivalry.

New York, February 1947

Wilfrid Benson

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LABOR PROBLEMS
IN SOUTHEAST ASIA

[p. XIX]

CHAPTER I · INTRODUCTION

I

LABOR SUPPLY IN SOUTHEAST ASIA

464 467 TWO MAJOR LABOR PROBLEMS, which have confronted Southeast Asia in the past and which remain unsolved, are the inadequacy and irregularity of labor supply and the dearth of organized labor movements having objectives like those of Occidental labor unions.

464 Except in such overpopulated areas as Java, the Tonkin delta, and Northern Annam, labor is generally inadequate in quantity and in quality to meet the requirements of large-scale enterprise. Where numerically adequate, the labor supply is either poorly distributed in relation to areas of employment or fails to respond to opportunities offered. The industrial development of the entire area suffers from lack of full-time services of skilled laborers. Some of the factory employees form the only stable, trained groups of workers. They comprise a small proportion of the population.

[874 461] Few facilities have existed for the training of skilled workers, and the association in Oriental minds of manual labor with the humblest social classes has limited wage-labor largely to those driven by economic necessity. [476] Handicrafts are carried on principally by agriculturists in their leisure time and by other "non-professionals." Farmers form the bulk of the workers. Only during the slack agricultural season or after a disastrous harvest are they willing to perform labor for others.

464 167 Supplementation of the inadequate labor force has been effected in various ways—some spontaneous, others planned. The starvation conditions chronic in south China and in India have caused emigration of workers to the underpopulated but richer regions of Southeast Asia, whence they usually repatriate their savings and eventually their persons to the home country. With the exception of Burma, which by reason of its geographic and administrative relations with India formed a special category, the prosperity which prevailed at times in Southeast Asia was less a factor in stimulating this flow than were conditions in the homeland.

Accelerated by the boom in plantation industries during the early

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Chinese
Indians

464 years of the present century, the flow of immigration has been large and
167 comparatively steady except during the depression and the two world
wars. Chinese and Indian immigrants usually could better their position
soon after arrival because their industry and organization were superior
to those of the indigenous peoples. Partly because of this, there were
constantly new arrivals willing to do coolie work until they too could
[178] rise economically. Except for the large-scale repatriations to China and
India caused by the depression, the flow of labor thus set into motion was
adequate for the economy prevailing in the underpopulated areas until
changing conditions created a growing class of landless proletariat and
[668] dissatisfaction among both the indigenous and immigrant peoples. This
dissatisfaction often became associated with other motivations in nationalist
movements.

Controlled migrations occurred only between regions under the same
government or those held by governments of the same nationality, except
for a limited migration of Javanese labor to Malaya (and to New Caledonia).
[166] In the Netherlands Indies and in Indochina the governments
endeavored to transplant groups of laborers from overpopulated to underpopulated
areas, but in so doing they learned that the process required careful organization, was expensive, and raised serious economic, social, and psychological problems. Such movements could be effected successfully on a limited scale only. This fact obviated the possibility of their contributing substantially to solution of the problem of overpopulation. As labor supply, such migrations were only temporarily satisfactory, because social and religious ties inclined the workers to return to their home villages immediately upon the expiration of their contracts or even to desert. To stabilize this labor force some of the governments tried after the depression to obtain a better adjusted sex ratio in the migrant population by encouraging the immigration of workers' families and the establishment of agricultural villages—a program too recently initiated to make possible a definite appraisal of its comparative success or failure. In Malaya, with the exception of a few Javanese, planned immigration was confined to Indian laborers. It was arranged and operated jointly by the two British governments concerned. There, however, the depression, the growth in voluntary Indian immigration, and India's ban in 1938 on assisted emigration to Malaya tended to render many of the official controls unnecessary. The unplanned and uncontrolled movement of labor across the Burma-India frontier was the sole migration of its type in Southeast Asia.

563 The indigenous populations in general hold themselves socially aloof
609 from the alien Asiatics. To the Muslim Malays the Chinese were materialistic,
pork-eating idolators; and the Indians, with the exception of the
small Islamic minority, were similarly disdained, though regarded as less
aggressive. To the sinicized Annamites, the Burmese, and the Siamese,

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Chinese

Indians

religion was no barrier between themselves and the Chinese; all were 563
Buddhists, though of differing sects. Chinese culture had long been 609
admired by the peoples of Farther India, and had influenced them.
Moreover, the Chinese were regarded as distant and desirable relatives.
With the advent, however, of Chinese women and the accelerated growth
of Chinese nationalism after the first world war, intermarriage occurred
less frequently (though it continued to be common in Burma and Cambodia), and the indigenous peoples had few social contacts with the Chinese
in their midst. The cleavage between the ethnic groups was further
widened in the British colonies by the official policy of representation of
various communities on legislative and advisory bodies.

Economically, relations between the indigenous and the immigrant 464
peoples altered from a mosaic of non-conflicting occupations to one of 477
rapidly increasing competition. For years the native peoples had contentedly seen the arrival of thousands of immigrants annually who were 178
able and willing to perform the hard labor for which they themselves had
neither inclination nor compulsion. Through much of the region, however, during the inter-war period an indigenous proletariat was developing 425
ing as a result of the transfer of farm land from the indebted native 177
peasantry to non-agriculturists, often to alien moneylenders, and also because of the growth of a Western-inspired individualism which was
weakening family ties once paramount. The trend was apparent chiefly
in parts of Burma, Siam, and Indochina.

This development did not assume significant proportions until the 464
world economic depression, when considerable unemployment arose out
of the drop in prices and the curtailment of foreign markets for products 458
of Southeast Asia. The result was a swift increase in the number of
natives seeking to return to their villages and, on the other hand, of 178
those forced to seek part-time or full-time employment away from their
villages in competition with immigrant laborers for work previously
scorned as arduous, monotonous, and underpaid.

Meanwhile the native middle classes for the first time faced a serious 464
unemployment problem. Until the depression years, the opportunities
for desirable though moderately paid employment in government or business had seemed to exceed the number of qualified candidates. 178 The depression made it clear that the saturation point had been reached, and
each year an increasing number of educated youths would be thwarted in
their expectation of employment or, if given a job, in their rise to higher
positions. Thus two groups of economically frustrated natives developed simultaneously in numbers and in consciousness in the decade
prior to the second world war. 563

Nascent political factors became significant during that period. The 464
struggles of the Chinese against the Japanese and of Indians against British rule were reflected in the attitudes of the emigrants from those coun- 668

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Chinese
Indians

464 tries. Although this was truer of the immigrant Chinese than of the
immigrant Indians, the comparative inertia of the latter was compensated
668 for by a more aggressive championship of their cause on the part of
563 their compatriots at home. In the case of Malaya, where the indigenous
population was numerically weak and psychologically passive, the Central
Indian Association of Malaya and the Congress Party leaders prodded
the Government of India to exert pressure upon the officials at
Singapore and Kuala Lumpur to grant greater economic and political
[167] privileges to the Indians in Malaya. The governments and planters of
Malaya, however, with the curtailment in their labor needs resulting from
the current cut in rubber export, felt free to resist this pressure, even at
the price of the embargo placed in 1938 on emigration to Malaya of
assisted Indian labor.

464 In the case of the Chinese the situation was different. Smaller numbers
were employed in the rubber industry and larger ones in mining.
668 More of them were able to graduate from contract labor into other occupations,
563 especially retail business, farming, and small trades. They
tended to stay longer because of the insecurity of enterprise in south
167 China. Moreover, the home government was in a much weaker position
than that of India to exert pressure on the governments of Malaya.
These remained free to regulate at their pleasure the spontaneous flow of
Chinese immigrants and to keep watch on the political activities of resident
Chinese. In Burma, however, the British authorities were unable
to keep the situation so well in hand. Serious anti-Indian rioting broke
out in 1938, and the strength of the Burman nationalists in the government
(especially after separation from India in 1937) enabled it to negotiate
an agreement with India restricting the number of Indian immigrants
and permitting the exercise of more control over those domiciled
in the country.

In Indochina and the Netherlands Indies the governments were able to keep the immigrant problem from assuming intensity because of the smaller proportion of Chinese in relation to the native populations. In all these countries, however, Chinese laborers suffered somewhat from the bad reputation of those of their countrymen who as merchants and moneylenders had acquired an economic power which differed from that of other aliens in that it affected directly and visibly the welfare of large numbers.

464 All the governments, including that of Siam, were compelled by public
668 opinion to exert more control over the immigrant minorities. In so doing,
they faced unpleasant alternatives. The demand of Chinese and
563 Indian laborers for better working conditions and improved political
167 status was accompanied by a threat to cut off entirely the flow of emigration.
468 Encouraged by nationalist groups, they engaged in strikes and boycotts.
If these succeeded, other demands would probably be made; and

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the indigenous peoples were not sufficiently willing, numerous, or skilled 464
to replace the immigrant laborers. A higher wage scale, they feared, 668
might compel many firms either to go out of business or to install expen-
sive machinery. Already local nationalists, succumbing to the philosophy 563
of economic self-sufficiency, were demanding intensive programs of gov- 167
ernment-aided industrialization. If such demands were acceded to, the 468
industrialists and labor leaders in the home country could be expected to
protest strongly against the new competition.

In this complex situation, the colonial governments of Southeast Asia [664]
gradually yielded to the popular demands, although loath to abandon
their traditional function as instruments of capitalist planning in the home countries. With the exception, however, of the embryonic and ineffective industrial programs of the Siamese and Burmese governments and the more constructive policy of the Netherlands Indies for a planned industrialization, none of the countries did much in this direction. None was forced as yet to consider very seriously that change in colonial relationship which would result from general economic development in the world and specifically from the new role that China and India would inevitably play before long in Southeast Asia. The Japanese invasion interrupted the efforts of local governments toward a solution of these labor problems. It also injected new elements into the situation.

2

LABOR ORGANIZATION IN SOUTHEAST ASIA

FOR VARIOUS REASONS an organized labor movement has never developed 467
in Southeast Asia to notable dimensions. In large part this was because 575
of the predominance of alien, transient, and illiterate labor forces, di-
vided—even when of the same nationality—by geographical and linguistic 563
differences. The Indians were further subdivided by caste and religious 668
sect. The Chinese had a far better family, guild, and secret-society
organization; but the antagonisms imported as an integral part of these organizations provoked periodic violence. Later the political and gangster elements which operated within their framework impelled all the governments throughout Southeast Asia to control them severely.

National solidarity among the immigrant labor groups was further 466
broken up by the methods of recruitment and management. Agents and
foremen exploited their compatriots for their own personal gain, until 167
the governments concerned were gradually and reluctantly forced to
intervene. Asiatic agents behaved much as recruiting agents of emi-

Chinese ✓
Indians

466 167 grants to the United States did in Europe until they were checked. They consistently misrepresented to prospective recruits the conditions of work that awaited them, herded them aboard ships and in lodgings under conditions of filth and crowding, and tried to crimp their competitors' labor forces. Immigrant Asiatic foremen also were similar to their prototypes among immigrant foremen in the United States. They were notorious for the "cuts" they took from their crews' wages, for their unscrupulous profiteering from the sale of food and other necessities to the workers, and for their brutality toward those recalcitrant under arbitrary rule. Nor were alien Asiatic employers liberal in their relations with compatriots among their labor forces. Small Chinese-owned estates and mines were regularly cited in the reports of independent labor inspectors as the most delinquent in their observance of health and safety regulations. Singapore Indian shop-owners were the object of unpleasant publicity regarding the long working days, irregular and inadequate wages, and general tyranny meted out to their compatriot assistants. Disinterested labor leadership or even employer paternalism was conspicuously absent among the immigrant groups.

466 Working conditions were not much better in the enterprises owned by indigenous employers; but they were less conspicuous than those of the immigrant employer's shop, as most of the native workers are farmers scattered over the land and cared for, when in need, by the traditional village and family organization. Little was done by the native governments, whenever they were in power, to better the lot of the small native
[563 654] farmer-artisan. The Siamese and Burmese governments falteringly attempted to introduce scientific agriculture, to improve cottage industries and to reduce the landless proletariat; but their efforts were directed more toward ousting foreigners who preyed on the people, particularly alien landowners and moneylenders, than toward improving labor conditions of those working for indigenous employers. The Siamese National Assembly, in 1938, turned down a proposal for labor legislation designed to set maximum hours and minimum wages and to restrict child labor. Its policy on labor organization was much the same as that of the colonial governments, that is, to keep the labor forces under control and to exhibit, at most, a certain indulgence toward the formation of unions in some trades or localities where this seemed advantageous.

Wherever labor legislation was introduced in Southeast Asia, the initiative came from the government and not from the workers. Originally
[686] it was the difficulties which European employers experienced in retaining their workers (at first domestic servants and later plantation laborers) that inspired legislation which imposed a penalty upon employees for their non-observance of agreements. Gradually, throughout the region, this penal sanction was abolished and more beneficial types of legislation were introduced to reduce the labor turnover. Considerations of

health and welfare induced the governments throughout the region to 466 legislate that laborers be recruited with full knowledge of, and with a physique adequate to, the conditions of their future work; that they receive medical care and compensation for illness and injury; that certain minimum wage standards and a maximum number of working hours be maintained, either by district or by industry; that women and children be not employed in tasks beyond their strength. Everywhere labor inspectorates were created to see that the labor laws were enforced, but because of budgetary limitations they were hardly ever equal to their task. Though these were undoubtedly steps in the right direction they were far from adequate. Much of the legislation in the colonies was taken over from that of the home country or other colonies and only partially adapted to local conditions. Often it was wholly inappropriate to the area where it was applied. Even where it was at first applicable, it did not necessarily remain so, because industries and occupations changed; and invariably it covered only a fraction of the total labor force in the country. Further, inspectors usually lacked the time and the authority to see that even the few laws on the statute books were enforced. More complete, more specifically focussed, and more generally applicable labor laws were needed.

Having enacted measures designed to keep order and protect the laborer's physical well-being and the proceeds of his toil, the governments of [185] the region felt that they had few additional obligations toward their wage-earning population. Conditions in Southeast Asia were sufficiently better than those prevailing in southern India and in China to attract all the labor that was needed; and this lulled the governments into believing that even if the territories under their sway had not achieved a labor millennium, there was no urgent need to do more. However, on the eve of the Pacific War, certain of the governments became more active in projecting further labor codes and reforms, long held under consideration.

Although embryonic associations of workers existed in each country 467 of Southeast Asia, they did not grow and coalesce to become important economic entities. No genuine trade-union movement had developed before the war broke out in the Pacific. Such associations as formed invariably occurred first among transport workers, since railroads, tramways and harbor operations were the first industries created in the area and since they could most easily be held up by strikes and found it most difficult to replace their workers even when there was a large surplus supply of general laborers. Moreover, the workers in them were fairly well concentrated geographically. The delayed growth of unionism in others of the larger enterprises is explained by the extremely small minority of industrial workers amid the large and unassimilable blocs of foreign laborers, and by the indifference of the governments to the formation

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467 of unions in industries the operation of which did not directly affect the
public order.

The employers' resistance to unionization derived naturally from their
467 desire to have available an abundant supply of cheap labor. They had
on their side, as an argument that must weigh heavily with the govern-
668 ments, the involvement which such organizations as existed were be-
lieved to have with subversive political parties and leaders. Commu-
468 nism was reported to be rife among the Chinese labor groups. Indian
Congress emissaries were supposed to be stirring up the traditionally
docile Indian coolies. The growing wave of strikes and riots which
occurred during the second part of the inter-war period, particularly
in the middle and late 1930's, had the effect of modifying the opposition
of the employer groups. Violence or work stoppages often took place
without any formulation of demands or without the workers' support of
the spokesman theoretically representing their views. At least some em-
ployers therefore began to see the advantage of dealing with responsible
labor leaders and of forcing any subversive elements in the workers'
associations out into the open.

466 Thus in Malaya, in 1939, legislation was introduced (but not enforced
until 1941) authorizing and facilitating the functioning of unions. Em-
467 ployers in Indochina, who also had long opposed unionization, moved
similarly in the latter part of the decade toward a recognition of the need
for it. In the Netherlands Indies, membership in unions, after a setback
in the early 1930's, slowly increased, although by far the largest unions
were still composed of government officials and professional men. In
[563] Burma, as in Siam, unionization was impeded by the presence of a pre-
dominantly alien body of workers to whose welfare the nationals of both
countries were either hostile or indifferent. Such organizations as existed
survived only insofar as the governments in each country favored them
as useful aids in preventing curtailment of production. Their develop-
ment, however, was controlled lest they harbor elements striving to over-
throw the established order.

The loss of their colonies by the Western powers and anti-colonial
Japanese propaganda naturally induced a greater consciousness on their
part of the existence of labor problems that must be coped with if the
larger economic and social programs are to succeed. From the resolu-
tions passed at the International Labour Organization's conference at
[648] Philadelphia in 1944,[1] it appears to have been generally recognized that
the colonial governments could no longer rely on paternalistic measures
or the voluntary cooperation of individual employers.

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[1] Bruno Lasker, "A Labor Code for Dependent Peoples," *Far Eastern Survey*, XIII, 12, June 14, 1944, pp. 103-10.

3

LABOR IN SOUTHEAST ASIA DURING THE JAPANESE OCCUPATION

JAPAN'S TREATMENT of labor throughout Southeast Asia varied accord- 727
ing to the military situation, the political relations of Japan with the
individual country, and the availability of manpower. Everywhere, how- 466
ever, labor suffered from dislocations, regimentation, and general deterioration in working conditions except for the limited amount of technical training dispensed by the Japanese to create a needed nucleus of skilled workers. The information required to draw a complete picture of the labor situation during the war in each of the countries of this region is not yet available, but from such data as exist—drawn chiefly from former enemy sources—the outlines are reasonably clear.

By mid-1943 their military position in the Pacific War led the Japanese to alter their policy in Southeast Asia. Labor in the area had not previously been regimented on a nation-wide basis, although attempts to register the available manpower and use it for individual projects had been made as the need arose. But the critical shipping situation, which prevented both exports from Southeast Asia to Japan and imports needed in those countries, of necessity changed the objective of Japanese policy from one of economic exploitation for the benefit of the homeland to maintaining Japanese troops in the area and achieving local self-sufficiency and defense.

In June 1943 new labor measures were widely introduced; these foreshadowed large-scale forced labor and indicated that the Japanese realized that patriotic as well as economic and prestige incentives had to be
offered to secure native cooperation. Soon after, the transplanting of 166
laborers from the most populous areas to those requiring workers for defense projects and economic development was systematically undertaken. This policy prevailed until V-J Day at a tempo which kept pace with the worsening military situation of Japan.

Japan's political aims were reflected in marked differences in policy in 727
each of the countries of eastern Asia, and also toward separate groups
within each state. The comparatively good treatment meted out to the 167
Siamese derived from Japan's need, for propaganda purposes, to main-
tain the fiction of Siam's voluntary alliance in the Greater East Asia war. 464
Being unwilling, for political reasons, to coerce masses of Siamese workers, and for economic reasons to rely on their small, unskilled and re-

727 luctant services, the Japanese imported prisoners of war and Javanese
167 laborers for the construction of the Burma and Kra Isthmus railroads.
Even after the pro-Japanese dictator, Pibul Songgram, had been ousted
464 by a resistance government, the Japanese tolerated the change so long as
they retained military and economic control over the country.

127 Malaya, on the other hand, received the least favored treatment. The
only country in the area to which the Japanese did not promise "inde-
[464] pendence," it was earmarked as a Japanese colony. The Japanese were
faced with a small, foreign labor supply whose special skills were adapted
466 almost exclusively to the tin and rubber industries. Since they could
utilize only a small proportion of the country's major produce, there
occurred tremendous dislocation and unemployment of labor. The
Chinese, as the largest, most skilled, and most hostile group, were sub-
jected successively to brutal treatment, registration and regimentation,
and transportation to farming colonies on the peninsula. The Indians
were similarly organized along racial lines through the Japanese-spon-
sored Indian Independence Leagues and the Indian National Army.
The Malays escaped the more rigorous forms of coercion because of
their negligible importance as a source of labor.

[167] Despite the tight network of organization developed by the Japanese,
Malaya's labor problem was never satisfactorily solved; guerilla ranks
were strengthened by recalcitrants of all races and eventually the occupy-
ing forces had to import Japanese and Javanese workers in order to
strengthen the defenses of that vitally strategic area.

Indochina, thanks to the survival of the French administration until
727 the Japanese coup of March 1945, was treated only slightly less favorably
466 than Siam. The Japanese found there a more abundant labor supply
than in immediately neighboring countries but were hampered by the
necessity of working indirectly through French officials, by the concentra-
tion of labor in the north, and its antipathy to furthering Japan's war
aims. As in Malaya, the inadequacy and indifference of the local labor
[167] supply compelled the Japanese to import a few thousand Chinese and
Malay coolies as well as some Japanese technicians and supervisors. A
certain number of local laborers were conscripted to work on defense
[166] and industrial projects and an undetermined number of Tonkinese were
transported to work on plantations in the south. Unemployment seems
[464] not to have become a major factor, although as the war progressed there
was a marked shift of agricultural workers to the cities, only partially
offset by the evacuation of some laborers from heavily bombed urban
areas. In common with the other laborers of Southeast Asia, Indo-
chinese workers suffered from coercion and inflation but apparently not
from nation-wide regimentation or transportation to work outside their
own country.

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Next to the Javanese, the Burmese endured the greatest hardships 727
during the Japanese occupation. Burma was more completely devastated
by military campaigns than any other country in the area, and its proximity 563
to India made it Japan's frontier zone. The need to win Burmese
cooperation led Japan to grant Burma "independence" on August 1,
1943, and thereafter the local intelligentsia were placated by a Burmanization
of the administrative services. But the country's laborers were
in a far worse plight than they had been under the British administration.
The Indians, whose number in Burma had been halved during the
1942 campaign, were immediately thereafter exposed to persecution by
the Burmese. Virtual pogrom conditions in the delta compelled them
to flee to Rangoon for Japanese protection and employment. Indian 464
coolies supplied the casual labor needed in the nation's capital, and
most of the white-collar class was absorbed into the Indian Independence
Leagues and Indian National Army. Burmese laborers, who had long
agitated for a restriction of Indian immigration, now found themselves 466
bearing the brunt of Japanese requisitioning, which was represented by
the puppet native government as a patriotic service. They had to perform
heavy manual labor far from home, for low wages, and under alien
and often harsh supervision. They suffered, in addition, from the
knowledge that their own fields were neglected and their homes unprotected.
Burma was frequently praised by the Japanese for having supplied
more cooperative labor service than any other area in the southern
regions, but nevertheless Javanese workers had to be brought in.

Java, with the greatest labor reservoir of the area, was inevitably the 727
country whose manpower was most intensively exploited by the Japanese.
As elsewhere in Southeast Asia, the Javanese served as coolie labor 466
for the construction of defense works and means of communication and
also were trained by the Japanese for more technical work in shipyards 167
and in factories. They were shipped by the thousands to areas outside
their island as local needs and the exigencies of the military situation
dictated.

Originally the Japanese planned to perpetuate, on a far vaster scale, 727
Dutch colonization schemes in Sumatra; in this they not only encountered
the same obstacles as had their predecessors, but they found they 464
could exploit all of the island's resources they could use with the manpower
and machinery locally available. In mid-1943 they seem to have 166
transferred the plan to Borneo, where additional labor was required to
develop such local industries as timber. Many hundreds of male Javanese
workers were shipped to Borneo, while smaller groups were sent to
other areas.

Unemployment during the Japanese occupation was serious only in 727
Malaya. Elsewhere the defense and economic programs of the Japanese, 464

727 464 together with the curtailment of alien Asiatic immigration, afforded plenty of jobs for those who were willing, or were forced, to work for wages paid in inflated currency.

727 433 464 In the food-surplus countries—Burma, Siam, and Indochina—which were also those receiving the most favored political treatment at the hands of the Japanese, the areas under rice and allied crops declined. The decrease in the number of draft animals through disease and Japanese requisitioning; the lack of implements; and, above all, the loss of former export markets caused the local farmers to cultivate very little more than their families required, and there was a marked exodus from the agricultural communities to the cities or places of more remunerative employment. In the countries of food deficiency—Malaya and the Outer Islands of the East Indies—the Japanese made great efforts and probably succeeded in increasing the area under food-crop cultivation, but never to the point of self-sufficiency. The Japanese also arbitrarily prohibited certain industries as "nonessential" and shifted the workers to others accordingly.

727 465 Very little information is available as to the wages paid during the Japanese occupation. Where local labor was limited and native goodwill was sought, as in Siam, the Japanese seem to have paid high wages from the outset. In densely populated areas like Java, wages were reportedly decreased immediately after the occupation. In time, and with the ever greater need for additional labor services, the Japanese permitted successive wage rises. But nowhere did wage increases keep pace with the more rapidly rising cost of living and they had to be supplemented by allowances, medals, and words of praise. The groups that suffered most from this disparity were the Asiatic government-servant and white-collar class, whose numbers had always exceeded the demand and whose services were far less necessary to the Japanese than was manual labor.

727 466 468 Labor legislation was passed only in negative measures of regimentation and outlawing of strikes. Nevertheless, reports of strikes periodically filtered through the barrage of Japanese propaganda, particularly a few that took place in Indochina and Burma. Most of them registered grievances against low pay, high living costs, and heavy taxation, but some were doubtless of a political character—difficult to distinguish from sabotage. Following one strike in 1943, the Cochin-China police arrested a number of "communists." In Malaya and Indonesia, control by the Japanese military and naval forces was not exercised through any native administration, and the strictness of their rule seems to have precluded any possible recourse to the strike weapon.

727 466 In Burma, Malaya, and Indonesia the Japanese set up a bewildering array of organizations into which the local peoples were regimented by communal, occupational, religious, sex, and age groups. Not only did

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many of these organizations overlap but they were assigned multiple and often identical tasks and all were subjected to Japanese "spiritual" indoctrination. Most of their members had to undergo military training and perform labor services, ranging from accompanying the Japanese army to look after supplies to washing clothes for Nipponese officers. Most ot the forced labor, however, was required for the construction of defense works and communications. Some of those performing such services—lured into "volunteering" by the promise of uniforms, additional food, and the same treatment as was accorded to Japanese soldiers—were organized into picturesquely named *Heihos* and Sweat Army battalions. While these militarized groups probably suffered more than any others, the bulk of Southeast Asia's population, wherever they were, performed hard labor for the Japanese during a large part of the occupation period.

Had Japan's gamble in far-flung imperialism not been undertaken at so rapid a tempo, and against such overwhelming forces, the occupying authorities might have evolved some means of winning over the peoples of Southeast Asia before resorting to the harsh and unlimited exploitation they did. For where the Japanese seemed sincere in their encouragement of nationalist aspirations, as for a time they appeared to be in Burma, the people were far more cooperative than they were in such areas as Malaya, which from the outset were scheduled to become colonies of Japan.

The chief victims of the Japanese were undoubtedly those who were transplanted to work in foreign lands, most of whom will never return to relate their sufferings or to keep alive hatred of the Japanese. However, the people as a whole suffered in common from the same hardships and the same demands on their services and it cannot be concluded that laborers as a class developed any special consciousness as a result of their war experience. Their hours of work were probably longer, their pay less adequate to their needs and their masters more demanding than the Occidentals whom the invasion had displaced, but their grievances and aspirations had probably come to be identified with those of their compatriots and their status as laborers was neither more nor less advanced than before the war. [467]

4

POSTWAR LABOR DEVELOPMENTS

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Since the Japanese surrender, labor movements throughout Southeast Asia have made significant advances in organization, solidarity, and political self-consciousness. Their progress varies from country to coun-

467 try, depending on the stage of development reached before the war, the quality of leadership during and after the Japanese occupation, and the degree of authority and stability achieved by the present governments.

While politics are the overwhelming preoccupation everywhere, Indochina and Indonesia have been the scenes of almost continuous warfare since V-J Day and have been unable—judging from the limited information available—to produce strong, cohesive labor movements. Siam, although not badly damaged by Allied bombing, has been absorbed in achieving administrative stability amid internal political rivalries and in maintaining its sovereign status internationally. The basic reasons which prevented the prewar labor movement in Siam from evolving beyond the embryonic stage remain valid. The greatest progress has been made in Burma and Malaya, where labor movements were comparatively well delineated before the war and where subsequent conditions have combined to further their growth.

467 668 186 Nowhere in the area has a labor movement developed without political implications and inspiration. Nationalism, in the embrace of socialism or communism, has been its guiding and dominating force. Political leaders have worked upon laborers as the only have-not group in an area where the majority of the inhabitants are cultivators who possess, or aspire to possess, their own land. It is not accidental that peasant unions have been organized only in Burma, the sole country of the region where absentee and non-agriculturist landlordism has flourished and where there is marked ethnic homogeneity. [464] Labor shortages exist everywhere as a result of the wartime cessation of immigration and the depletion and displacement of existing labor forces, and are aggravated by the desire of business firms to resume their export trade as quickly as possible.

These factors have placed labor in a particularly favorable position. While laborers remain on the whole almost as inarticulate and as closely identified with the mass of the population as before the war, they have acquired a new political consciousness and a sense of their own indispensability, as well as a more aggressive leadership. Everywhere their economic grievances derive from the growing disparity between increasing wages and more rapidly rising living costs and from the absence of consumer goods and adequate housing in urban areas. Their political objectives are those assigned to them by nationalist or communist leaders, who are using labor as the best spearhead available locally for the achievement of their own goals.

467 464 At the present time Malaya and Burma have the only labor movements in the area worthy of the name. Their prewar economies differed widely—Malaya's resembling that of Sumatra more than Burma—but their metropolitan power is parallel and both are committed to a prolabor policy. They are the two countries of Southeast Asia which have

been traditionally most dependent on imported labor and their prewar 467
labor movements were the most highly developed of any throughout the 464
region.

Nevertheless, the labor movements in these two countries have taken different paths. Burma is made up of one predominant race, overwhelmingly agricultural and guided by strong nationalist leadership. Development of solidarity among Malaya's laboring class has been retarded by the tripartite ethnic composition of its population and by the country's traditional dependence upon two export industries. Accordingly, Malaya's labor movement has developed schismatic tendencies bordering on mutual hostility and has been influenced by alien Asiatic leadership. While in both countries the British Government has not as yet formulated any policy toward immigrant workers and has thus played into the hands of labor, already in short supply, the effects in the two countries have been quite different. Because of Malaya's lack of a self-sufficient economy, its laborers are in a more favorable position to press their demands. At the same time they suffer from serious internal weaknesses not found in Burma. The government and private firms in Malaya—if the planting-mining economy is to survive—will have to make greater concessions in order to reconstitute an adequate labor force than will the analogous authorities in Burma and Siam.

The special composition of Malaya's population and the organization 467
of its industries are probably responsible for the development of its labor movement from many small unions, organized by subdivisions within trades, into a central association. This pyramidal set-up has been turned upside down in Burma, where labor was at first organized on a very broad basis and then divided into smaller units. In both areas the British Government has been making a marked effort to foster labor unions and at the same time to divorce them from political programs
and ideologies. But since the nationalists throughout the area have [668]
chosen the labor movement as their chief medium for the achievement
of the socio-political revolution they desire, it is unlikely that this attempt will prove successful. The laborers of Southeast Asia still feel [565]
themselves to be, above all, members of their own national or ethnic
communities and have only secondarily developed a consciousness of a [563]
class apart. The whole area is too little industrialized to be fertile ground for a labor movement, strictly speaking. When trade unionism is discussed in referring to the labor movements now budding in Southeast Asia, it should be borne in mind that little more than its nomenclature has been borrowed from Occidental labor organization.

Throughout Southeast Asia the various governments have begged two 466
outstanding questions affecting local labor problems—agricultural indebtedness 426
and land tenancy, and the control of Asiatic immigration.
In regard to the former, nothing has been done thus far and one can 167

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426 466 [563] only surmise that a development of the cooperative movements will be furthered as the one policy free from international complications. As to the immigration of Indians and Chinese, the local governments seem unable to chart a course between the Scylla of indigenous nationalist sentiment and the Charybdis of demands from the governments of India and China. The latter today are in a far stronger position than before the war to insist that improved working conditions and greater political privileges be accorded to such of their nationals as they permit to emigrate to Southeast Asia.

466 167 563 Any restoration of the prewar planting-mining economy will depend upon the resumption of Asiatic immigration. But management will be forced to grant better working and living conditions and possibly the governments will have to concede a more privileged political position to immigrant Indian and Chinese laborers. On the other hand, native nationalists throughout the area will try to curtail such immigration and will oppose granting political privileges to alien Asiatics who, they believe, will continue to feel a primary loyalty to their homelands. These opposing forces have already locked horns on the citizenship clause embodied in the Malayan Union plan—the first postwar attempt to ameliorate the political position of alien Asiatics—and the British Government has not yet resolved the equally important immigration issue.

433 No matter what constitutional changes emerge from the current political crisis in Southeast Asia, the governments set up throughout the area will have to face the same labor and minority problems as did their predecessors. The urge toward industrialization received an impetus from the Japanese occupation, though the synchronous growth in the industries of China and India (not to mention Japan's continuing need for export markets) will offer sharper competition to the nascent industries of the region. Moreover, shortages of labor and fuel in most of Southeast Asia cannot but curtail the expansion of even light industries and may prevent any immediate and effective way of satisfying the desire of nationalists for the establishment of large-scale and heavy industries.

[439] The region seems destined to remain for some time predominantly a source of raw materials and a market for the industrial output of its neighbors. Before the war certain sections of these countries had entered the phase of commercialized agriculture and mining, and of processing the output—distinct advances over the traditional economies. This trend is now being accentuated, although it is influenced by such wartime developments as that of the synthetic-rubber industry. In any case the form of international organization set up to control production and sales will be different from that of the past, in which the colonial producer interests predominated. In the immediate postwar period, world shortages of the commodities produced by Southeast Asia have created a market eager for all its major output.

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CHAPTER II · BURMA

I

GENERAL LABOR SITUATION

464 166 167 IT WAS THE BRITISH Government's original goal to create a body of peasant proprietors as a means of developing Lower Burma. But as Burmese peasants could not be attracted from up-country at a sufficiently rapid tempo to keep pace with the delta's agricultural commercialization, the government encouraged the immigration of Indians. Although the first groups imported failed to form a settled agricultural community in Lower Burma, they did reveal to the government the potentialities of nearby India as an unlimited source of labor for Burma's rapidly expanding rice, timber, and oil industries.

At the outset there was no competition between the two racial groups; the Indians' contributions in converting the delta's wastelands were chiefly industrial and commercial, and the Burmese played the greater part in actual cultivation. The Indian immigrants fitted tidily into the country's economy, arriving in time to harvest the crop and then to supply the labor demand for the equally seasonal milling industry.

464 433 166 The amount of wasteland available for rice culture in the delta was so large and so cheap that for twenty years—and especially between 1900 and 1906—there was a phenomenal expansion of the industry. Simultaneously there was a movement of the indigenous population from the towns to these newly opened areas. This speeded up not only the growth of commercial agriculture but also that of industries closely connected with the disposal of agricultural products. The Burmese confined themselves largely to the expansion of rice production, and the labor deficiency in other fields was made good principally by Indians. Even in agriculture itself the rapid expansion created such a dearth of workers at harvest time that the delta rice farmers came to rely increasingly on Indian labor, rather than upon the irregular indigenous workers who came down from Upper Burma only when a poor harvest occurred there.

464 563 463 Indian labor soon swamped the Burmese labor market in every line of enterprise. Except for a few clerkships, no Burmese could find employment with navigation companies or with the railroads. They had no

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[463] better luck with the Public Works Department, which hired Indians even
as postmen.[1] Although the Indians in this way soon succeeded in getting
464 a stranglehold on the development of the delta, the British annexation of
Upper Burma presented the now more awakened indigenous peoples with
563 greater opportunities for employment on the railroads and in public
works. Mandalay's streetcars were staffed with Burmese, at a time when Indians had things all their own way in the country's capital. The introduction of gasoline engines, in particular, gave Burmese new vocational opportunities which they were now more alert to seize. Soon they acquired almost a monopoly of the available jobs as stokers on steamers using oil fuel. Because of their advantages over Indians in the matter of literacy, the growing printing business became largely their province.

[186] In those fields where they were able to gain a foothold, Burmese held
their own and justified the feeling that they could and should play a
larger role in their country's economic development. They were no
longer willing to be limited to agricultural and rural interests while the
industrial and urban life of their country was dominated by aliens. They
resented the fact that where Burmese labor was employed it was super-
[461] vised by foreigners and compensated on unequal terms. They came to
feel, above all, that the watertight racial compartments set up in many vocations were a consequence of their domination by a foreign government, forgetting that until very recently their own lack of interest in such matters and their distaste for monotonous and sustained work had been the main reasons why the exploitation of the country's resources had so largely passed into the hands of others.

311 Conditions that prevailed in the period between the wars modified the
situation considerably. While there was, and still is, a large amount of
433 unused arable land, it is of the type which does not lend itself to profit-
able cultivation without a heavy capital outlay. Burmese methods of
464 cultivation were so little improved that the crop yields remained virtu-
563 ally static, and competition grew between the Burmese and Indians for a
share in urban employment, especially for the skilled occupations that were for so long an undisputed Indian preserve. While the spirit of Indian-Burmese rivalry became more violent during the last prewar years, it was of longer standing than the comparatively recent desire shown by the Burmese to replace the British as well as the Indians in administrative posts.

464 The native demand for the Burmanization of all professions, busi-
nesses, and labor forces antedated the country's separation from India,
563 but it became more acute when the existence of a constitution permitted
the free expression of this and other grievances. The economic depression brought about a greater replacement of Europeans with Asiatics but

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[1] Furnivall, J. S., *The Political Economy of Burma*, Rangoon, 1931, p. 162. Revised in 1938 by J. R. Andrus.

Indians Europeans 464

563 [167]

Burmese still made little headway in displacing Indians in the lower posts and even less in ousting British incumbents from the higher offices. They complained that, even after separation, the terms of their agreement with India permitted nationals of that country not only to come freely into Burma, but to continue to staff the defense services and such large employers of labor as the Post and Telegraph and Public Works Departments. Britons, even in recent years, were still recruited in the home country and in India to fill the more important posts.

[647]

Early in 1939, the government proposed the optional retirement of civil servants upon completion of twenty-five years of service. The purpose was to relieve the ever-more-acute problem of unemployment among the educated Burmese, who claimed that they could fill the same posts at a lesser cost to the country because of the elimination of paid leave to England and of the allowances allotted to enable Britons to adjust themselves to a tropical country.

464 563 186 647

The report of the Committee on Public Services, set up in June 1939 and composed of members of the Legislature under the chairmanship of Sir Joseph Maung Gyi, recommended measures that went much further than did those of the earlier Fiscal Committee in the direction of Burmanizing the administration. This committee recommended that recruitment to all services, including the sacrosanct Secretary of State services, should in the future be confined to persons domiciled in Burma. Also it wanted to obliterate all differences in the wage-scale between Europeans and Asiatics. Since all appointments did not come within the competence of the government (Class I of the Civil Service and Class I of the Police Service being appointed in London), European recruitment could not be entirely stopped. But the same results might be achieved indirectly by rendering the conditions of work in such services unattractive to non-Burmese candidates.[2] The strongly nationalistic trend of the whole report was most clearly shown by passages recording the committee's views and recommendations on subjects for which it had no competence, especially in the recommendation that the recruitment for all Burma's services should be the province of the country's ministers. This view became an obsession with Burmese nationalists and it colored almost all of the committee's recommendations.

722 464 563

The war brought something of a truce. The defense services were thrown open to Burmese. Not only did the recruitment of Britons from the United Kingdom stop, but the compulsory military service required of those resident in Burma produced staff depletions which in many cases were filled by Burmese.[3] While the elimination of Britons from the higher posts was, to some extent, automatically effected by war conditions, the curtailment of Indian employment became a burning issue.

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[2] Rangoon *Times*, January 28, 1941.

[3] *Ibid.*, March 5, 1941.

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464 563 The position of Indian labor in Burma was complex, both from the internal and the external aspects. It was complicated by Burma's long administrative association with India, by Britain's continuing relations with both countries, by the attitude of Indian nationalists regarding the position of their compatriots in Burma, and by Burma's increasing dependence on India as a source of supply and to a lesser extent as a market. From the internal angle, this problem was perhaps even more involved. [471] The better equipped and more experienced Indians were solidly entrenched throughout the whole of the country's economic life. Indian capital remained of paramount importance to farming, and Indian labor was still the cheapest and the most abundant.

[427] [668] These were long-standing factors. Of more recent growth, dating mainly from the world economic depression, was the rise of a landless Burmese proletariat created by the acquisition of so much of the country's arable land by Indian creditors. Attacked thus in their agricultural stronghold, and unable to dislodge these aliens from their dominating positions in urban employment, the Burmese manifested their resentment against the Indians' status in the country by the riots of 1938. While the subsequent appointment of an Agent by the Government of India to look after the interests of Indian laborers in Burma did something to solve that group's problems, it did not protect the life and property of Indian residents in Burma other than laborers, nor solve the existing Indian-Burman competition for employment, or regulate the immigration of Indians into Burma. The Enquiry Committee had indicated the latter as one of the major causes of the riots.

563 The outbreak of 1938 was the violent release of an Indian-Burman tension that had been endemic since the turn of the century. The Indians, whose aloofness from the Burmese did not help mutual understanding, were resented as alien landowners, moneylenders, and competitors in almost every sphere of life except in agricultural production. Their outlook on life was very different from that of the Burmese. The expatriated Indians living in Burma were, generally speaking, a hard people whose materialism and caste system were distasteful to the easy-going and democratic Burmese.

While it could hardly be said that the Chinese were popular in the country, they were far more akin, spiritually and physically, to the Burmese than were the Indians. They were not so numerous, and they did not lend money on the security of land; they were chiefly artisans and merchants who did not compete with the Burmese on anything like the same scale. In contrast to the recent trend prevailing among the overseas Chinese in Malaya, Siam, and Indochina, the Chinese rarely brought their women to Burma, and the result was more extensive intermarriage and identification with Burmese life. The inter-war period changed their status somewhat, though to a lesser degree than in the case of the

Chinese
Indians

Indians, and there was a demand for restrictions upon the entry of both 563 Asiatic groups into the country. The seething frustration of the landless [186] and indebted Burmese, who were faced with the prospect of a lowered standard of living, gave rise to an intense nationalism directed against the foreigner, who had made the Burmese feel like strangers in their own land. Separation from India was first hailed and then denounced by them because the results failed to live up to the promises held out—namely that it heralded the extinction of the alien moneylender and of the whole regime of the "*Kalas,*" the contemptuous term under which the Burmese lump all Indians.

Since, by the terms of the separation agreement, the Burmese were unable 464 for a period of three years to alter the *status quo,* they resorted to the indirect device of reserving certain fields of employment to the indigenous 563 people. In addition to their campaign for the Burmanization of the central administration, the nationalists exerted pressure on the Corporation of Rangoon to reserve 90 per cent of employment to natives. This entailed a long struggle, and eventually was scaled down to one-half on the ground that there were not enough qualified Burmese. Burmese members of the Legislature repeatedly queried the government, not only regarding the degree to which its own services were being Burmanized, but also as to how far it used its powers to require business firms in the country to employ Burmese. In 1940, when the government was negotiating new leases with the teak companies, it stipulated as one condition of their renewal that Burmese must be employed to fill one-half of the positions on their superior staffs.[4] In answer to pointed inquiries as to what was the government's policy in assuring the employment of Burmese in such large concerns as Steel Brothers, the Burma Oil Company, the Rangoon Electric Company, and the Indo-Burma Petroleum Company, the Ministry cautiously stated that it was encouraging their hiring of Burmese labor, but that the restriction of foreign immigration would automatically increase the percentage.[5]

The regulation of Indian immigration, in turn, had to wait upon the 167 findings of the Baxter Commission, appointed in 1939 as a result of the riots of the preceding year, for the specific purpose of informing the apprehensive 563 and ignorant Burmese public as to the status of Indian labor in their country. It was hoped that the public was not so thoroughly 185 prejudiced that it could not appreciate the facts of the case, which were for the first time to be made available to them. However, even the appointment of this commission was the subject of misunderstanding. It was taken in some quarters as being designed expressly for the purpose of making out a case for immigration restriction, whereas its primary pur-

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[4] *Ibid.,* August 31, 1940.

[5] *Ibid.,* April 17, 1941.

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[185] pose was to test and correct current ideas on the subject and to see if a
system of control was actually necessary.

167 Baxter's report dispelled the popular impression that unrestricted In-
563 dian immigration would bring about a noticeable change in the character of Burma's religious and social customs; that Indians were driving Burmese into poverty and unemployment; and that Indians used Burma as a convenience, only coming there when conditions were bad in India and remaining just long enough to take rice out of Burmese mouths, without giving anything in return. On the contrary the report showed that the flow of immigration was automatically decreasing; that the surplus of incoming over outgoing Indians was declining; that the growth of the Indian population in Burma was slowing down, if it had not already ceased; in short that there was no danger of Burma's being flooded with
[464] Indians or of becoming Indianized. Baxter's provisional conclusion, in the absence of complete statistical information regarding the current situation, was that the flow of immigrants was not dependent upon local conditions in India but followed the demand for labor created by fluctuations in Burma's prosperity.

464 Although limited to the field of industrial employment, the Baxter inquiry established several important facts. Most fundamental perhaps
162 was that, although 67.5 per cent of the total workers in Burma's indus-
563 tries were Indians as compared with 30.7 per cent Burmese, and among unskilled workers 69.5 per cent were Indians as against 29.7 per cent Burmese, during the period of maximum employment,[6] since 1934 the Burmese had gained a larger proportion of the increased opportunities for employment.

Although by 1939 there had been an increase of 17.4 per cent in the numbers of all workers of all grades and races compared with the numbers employed on the corresponding date in 1934, the increase in the number of Indians employed was only 10.2 per cent whereas the increase in the number of Burmese employed was as high as 32 per cent. An even more striking relative improvement was shown in the employment of Burmese among the skilled workers, where it represented an increase of 42.5 per cent over the number of skilled Burmese employed in 1934. During this same period the number of skilled Indian laborers had grown by 21.4 per cent.

464 Probably the most controversial aspect of Baxter's Report lay in its assessment of the possibility and merits of replacing Indian laborers by
461 Burmese. The issue seemed to hinge upon the changing and differing living conditions of the two groups. Until the 1930's, the typical Bur-
563 mese was a member of a moderately prosperous agricultural family, fairly carefree by temperament, not overfond of arduous labor, and content to

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[6] Baxter, James, *Report on Indian Immigration*, Rangoon, 1941, p. 58.

be supported by his family during workless periods. The Indian, on the 464
other hand, came from a grossly overpopulated region and belonged to
an undivided family system in which the young men who could not obtain 461
employment locally were expected, under penalty of severing forever 563
their family ties, to go elsewhere for work and from their wages to
remit sums for the family's maintenance. The world economic depression [178]
and possibly the increased population of Burma produced a marked
change in Burmese living conditions. Whatever its main cause, there
grew among the Burmese a steadier and more persistent demand for work as unskilled laborers. This, in turn, aggravated their competition with, and animosity toward, the Indians. Baxter found employers unanimous in favoring Indians for dull, arduous, and monotonous tasks, but equally united in their conviction that Burmese more readily understood intricate work and were far more desirous of obtaining positions as skilled artisans than as unskilled laborers. Physically the Burmese were as strong if not stronger than the Indians so that the former's attitude was apparently psychological. The Burmese were not—at least not yet—prepared to work arduously and mechanically for long hours, at a low wage, far from home, and without freedom on their traditional holidays. If the two groups were working together, the Burmese apparently assumed that the heavier and dirtier tasks would be performed by the docile and submissive Indians, but if Burmese alone were employed they would perform the same labor as Indians, only more slowly.

The relative status of Indians and Burmese varied from industry to 563
industry. In sawmilling the situation had crystallized. The Indians did
the heavy work (Rs. 16 a month and upwards), lived in barracks, and 461
remitted a portion of their wages to India. The Burmese, starting in [465]
some clerical position (beginning at Rs. 25 a month), worked their way
up to the position of skilled supervisor or clerk, seemed to assume the right to boss the Indians, and required far better living conditions. The memo submitted by four European timber firms in Rangoon indicated that if Burmese alone were employed, their production costs would rise appreciably. In metalliferous mining the Burmese normally refused to work underground, or in any occupation requiring shift work, so that comparatively few Burmese were employed. Attempts made to mix Burmese and Indian crews in the inland navigation vessels and in government dockyards were so unsatisfactory that they provoked threats of
strikes. The Indians, long entrenched in such occupations, preferred to [461]
employ their own caste, and the Burmese were averse to the long training
period required, the prolonged absences from home, and duty shifts of
twenty-four hours. Yet in many skilled and semi-skilled occupations, offering 563
variety and calling for initiative, Burmese were already replacing 464
Indians. What delayed the process was the policy followed by some firms 472
of encouraging the sons of existing employees to enter the same field and,

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563 464 472 more important, the scarcity of Burmese capitalist-businessmen who would naturally be prone to hire their own compatriots. The crux of the whole problem—to what extent were the Burmese available or willing to work in the same positions currently occupied by Indians—was unknown and would remain so until some system of registration for unemployed workers was set up.

563 167 From the standpoint of the Burmese officials who negotiated the immigration-restriction agreement with the Government of India, the Baxter Report supported their policy: while they would recognize a privileged class of Indians domiciled in Burma, they insisted that those coming into the country should not retain a divided loyalty—they would have to identify themselves either with Burma or with India. If Indians had contributed to the prosperity of Burma, they had also enriched themselves in the process and should not begrudge paying back a small portion of their profits in the form of fees and taxes.

Unfortunately, instead of using the Indo-Burmese immigration agreement (a consequence of the Baxter Report) as an opportunity to prevent their compatriots from enduring such humiliating and miserable conditions of life and labor in a foreign land, the Indians in India regarded the restrictions placed upon Indian immigration into Burma as an insult to them and to their country. Equally unfortunately, from the viewpoint of the effectiveness of this and other measures in Burma, racial prejudices had permeated too deeply for the Burmese public to grasp the main fact presented in the Baxter Report—that Burma did not have to face an unmanageable influx of immigrants whose movements bore no relation to the country's needs. The Burmese, as a whole, continued to regard emotionally what was essentially a practical, economic problem.

2

TYPES OF LABOR

162 241 *Agricultural*

BURMA STANDS OUT in its true perspective as an almost exclusively rural country when it is realized that in 1931, out of a total worker population of 6.66 millions, 65 per cent were engaged directly in agricultural cultivation and stock-raising. In the census of that year, 6.5 millions out of the total laboring population were grouped, in the proportion of three to one, under the two heads of producers of raw materials and preparers and suppliers of material substances.

000 *Burmese.* In the period of the depression which followed the First

Burmese. In the period of the depression which followed the First 427
World War, there developed a marked trend, in Lower Burma particu- 426
larly, for indigenous peasant proprietors to lose their land to moneylenders and to become tenants or, in some cases, agricultural laborers. It was generally the best land which was taken from the peasants, since moneylenders were often unwilling to lend on the security of inferior land. During the decade between 1921 and 1931 cultivating owners declined from 50.6 per cent of the total of some 2.5 million engaged in farming to 30.9 per cent of the total. The percentage of tenant-farmers remained substantially unchanged (22.3 per cent in 1921 and 23.0 per cent in 1931) and agricultural laborers rose from 27.1 per cent of the total to 40.1 per cent; this trend continued until 1936 when the position appears to have been stabilized at least temporarily.

Though by tradition and inclination the Burmese is a farmer, he alter- 241
nately works hard, moderately, or not at all. During the planting season 221
the rice farmer labors long hours. Thereafter he and the women of his
family are occupied no less strenuously in transplanting. No horses are 461
used as draft animals, and most of the field and road work is done by water buffaloes and bullocks. The latter are more prevalent in the dry zone, where they can endure tropical conditions, while the former are used more extensively in the delta. Crops are harvested by hand and the only progress noted has been in the use of an improved plow. To some extent tractors have been used on government farms and by a few of the wealthier landowners, but generally speaking power farming is not adapted to paddy cultivation nor to the purses of rice farmers. Between the very active periods of planting, transplanting, and harvest, the farmer works with gentle moderation, and after the crop has been garnered he has some months of almost total agricultural inactivity.

Indians. For some decades after the annexation of Pegu (1852) the 167
government's policy was the active promotion of migration on the part of
farmers from India to Burma, in order to accelerate the development of 166
Burma's great arable wastelands and to relieve congestion in the most poverty-stricken areas of India.[7] Direct encouragement of such migration, however, was so consistently unsuccessful that the Famine Commissioners, reviewing the whole question in 1858, expressed preference for leaving the problem to private agencies, although still advocating the desirability of relieving overpopulated regions in India. Subsequently the government made two grants of land, comprising about 27,000 and 15,000 acres, in Pegu and Toungoo districts respectively, on the understanding that colonists would be mainly Indians recruited from India. When it became increasingly evident that colonization of the waste areas was proceeding satisfactorily through the emigration of Burmese from Upper Burma to the delta, the government very soon changed its policy,

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[7] Ibid., p. 44.

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167 166 claiming that "it was neither expedient nor necessary to encourage th settlement on the land of non-indigenous races."[8] Moreover, it appeared from a government-inspired inquiry made in 1908, that the objectives of the grant had not been realized. The Indians had not been recruited from the congested areas of India; they were paying comparatively high rents; and they were introducing neither new crops nor better agricultural methods. Furthermore, they lived in small enclaves, apart from neighboring Burmese farmers. There was no further government-assisted immigration, and the Indian agricultural population, which comprised 30 per cent of all Indian earners and working dependents in 1931, had found their way into Burma without any intervention on the part of the government.

162 464 476 The percentage of Indians classified as engaged in "ordinary cultivation" has been considerably influenced by the situation in Arakan, where there has been a large Indian population established on the land. But, if Arakan were excluded, the Indian percentage of 3.9 would fall to 2.7, and the indigenous percentage would rise to 96.7. Throughout Burma, family agricultural labor was the rule. Even in the monocultural region of the delta neighbors were called in to supplement family labor and Indian gangs were seldom employed.

162 427 Arakan was exceptional since at the time of the 1931 census, 38 per cent (43,570) of all Indian non-cultivating owners, cultivating owners, and tenant cultivators in Burma, were located in that area. Although practically all of the increase in the area occupied by non-agriculturists in the thirteen principal rice-growing districts of Lower Burma was accounted for by the increased areas occupied by the Chettyars, it did not necessarily follow that the number of Indian non-cultivating owners had increased in the same proportion. There was, indeed, some increase in their total—a comparatively small number owning large land acreages.

167 464 Indian immigration into Arakan has had a special character, owing primarily to the existence of a land frontier with India across which movement is easy, quick, and cheap. In 1931 about 97 per cent of the Indian population of Arakan (predominantly Chittagonians) was concentrated in Akyab district; out of the 1,008,538 forming the total population of Arakan, Indians numbered 217,801.[9] The great majority of the Chittagonian population (84 per cent in Akyab) was born in Burma and the sex ratio among them was far more nearly normal than among Indians elsewhere in the country. Every year, however, from 20,000 to 40,000 coolies entered Akyab from Chittagong, the bulk of whom came to reap the paddy crop and returned after the harvest was over. The nearness of their homes and the small amount of money required for the journey

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[8] *Ibid.*

[9] *Ibid.*, p. 49.

Chinese
Indians

made their sojourn in Burma far shorter than that of the average Indian 167
immigrant. Witnesses were unanimous in their testimony before the 464
Baxter Commission that a restriction of this seasonal immigration was
desirable, on the grounds that it was resented equally by the settled
Chittagonians and the Arakanese. It appears that the resident population, [465]
of whatever origin, could not compete with the cheap labor supplied by the immigrant, whose standard of living was lower than theirs, and who were superior as workers. A restriction of their immigration would inevitably result in an increase in wages which, in turn, would bring forth an ample supply of local labor. Baxter, however, was not convinced that some supplementary immigrant labor would not still be required for the harvest season.

Chinese. Agricultural and forest laborers accounted for only 6.4 per 162
cent of all the Chinese in Burma at the time of the 1931 census.

Industrial

The total industrial population of Burma before the war was small, 464
and rice-milling, which was widely distributed throughout the country,
accounted for about half of all the factory workers. The number of factory 256
laborers barely exceeded 100,000, although a great many artisans
and part-time domestic workers worked independently. The size of industrial 471
units was generally small, as shown by the definition of a factory
(under the 1934 Act) as "a premise in which power is used in aid of a 433
manufacturing process and in which twenty or more workers are employed, or ten in the case of rice mills."[10]

At the end of the First World War there existed about five hundred factories employing some 71,000 persons. With the growth of small rice mills the number expanded, but the increase in the number of factories and of employees did not always tally. The pre-depression peak in the number of factories was not subsequently surpassed, and the maximum figure of employees—over 100,000 in 1928—has never since been equalled.

A characteristic of Burma's industries before the war was their transiency. In 1939, for example, sixty-four new factories opened but fifty-five closed down; forty-six new rice mills were started but twenty-two others ceased to function. Among the new establishments were a quinine tablet factory (a jail industry); a tile factory; and a barytes crushing mill. Even the most interesting among the newcomers, a maize-starch factory, was avowedly temporary as it had been set up in conjunction with the Pegu Yomas water-supply scheme. At the end of 1940 there were in Burma 1,088 factories falling within the scope of the 1934 Act, or two more than existed the preceding year.

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[10] Spate, O. H., "Beginnings of Industrialization in Burma," *Economic Geography*, January 1941.

Indians

464 In the last year before the Pacific War, the total number of workers employed in Burma's factories, expressed as a daily average, was 89,383, compared with 87,946 the preceding year. Perennial factories employed 84,184 and seasonal establishments, 5,199. The increase was spread fairly evenly over the main industries, except that rice-milling showed a decrease of some 800 workers. In the Federated Shan States, which were analyzed separately in the Labor Department's report, the eleven existing factories employed 3,676 men and fifty-five women in 1940. Of these, ten establishments were connected with silver and lead mining and one was a tea factory.

464 [439 433] 256 *Rice-milling.* At the season of maximum employment the milling of rice normally took one-third of all the workers engaged in industry. Also it contributed in an average year over 40 per cent of the total value of all commodities exported to other countries.[11] About 83 per cent of the total of 673 rice mills were classed in 1939 as small mills, individually employing less than 100 workers, or 32.5 per cent of the total number of workers in the industry, whereas each of the large mills employed more than 500 workers.

The increase in the number of mills between 1934 and 1939 signified the establishment of small up-country mills engaged principally in the preparation of rice for the local market. To a secondary extent, such mills worked under contract to their larger colleagues in the seaports which virtually controlled the export trade in rice. This growth represented the recovery of an industry which had suffered seriously from the depression. It was also associated with an important change in the proportion of Indians engaged in rice-milling. Although there seems to have been no significant alteration in the proportion of Indians employed as unskilled workers in this industry, in the skilled categories the percentage of Indians decreased by as much as 12.4 per cent between 1934 and 1939. This change was apparently related to the growth of up-country mills; to the comparative immobility of Burmese laborers, which has tended to restrict them to employment offered in their home districts; and to the foreign ownership of the large mills, which catered to the export trade and were naturally inclined to recruit workers from the comparatively fluid supply of Indian laborers in the south. The extent to which the Burmese participated in their country's major industry was correlated with the size and ownership of the mills, the Burmese generally being employed in equal numbers with Indians in the smaller mills but decreasing to a very small fraction in larger seaport establishments.

316 464 *Mining.* The majority of the permanent labor force employed in mines and quarries has been Indian—roughly 45 per cent of those engaged in skilled work and somewhat over 60 per cent of those employed as un-

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[11] Baxter Report, p. 65.

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TABLE I: BURMA: PERENNIAL AND SEASONAL FACTORIES *

A. Perennial

Type of Factory Ownership	Total Perennial and Seasonal	Engineering		Sawmills		Rice Mills		Vegetable Oil Mills		Others	
		Number	Persons Employed	Number	Persons Employed	Number	Persons Employed	Number	Persons Employed	Number	Persons Employed
Government and Local Fund	29	19	4,802	2	110	..	..	..	..	7	2,028
European	114	34	5,535	6	4,358	21	8,757	5	578	40	11,228
Burmese	390	..	..	36	1,810	313	11,866	15	458	6	451
Indian	283	5	116	52	3,627	166	9,564	4	179	28	4,851
Chinese	208	..	..	20	1,274	173	11,439	5	198	8	322
Japanese	3	..	..	..	..	..	..	..	..	1	97

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B. Seasonal

	Ginning		Others	
	Number	Persons Employed	Number	Persons Employed
Government and Local Fund.....	1	54	..	..
European	5	889	3	627
Burmese	19	819	1	106
Indian	26	1,608	2	653
Chinese	1	24	1	47
Japanese	2	372	..	..

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* *Annual Report* on the working of the Factories Act in Burma, 1940, p. 30.

Indians
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316 464 skilled workers.[12] Almost all of these Indians were immigrants, more than 97 per cent of those engaged in mining having been born outside of Burma. Chinese labor was employed principally in the Shan States (Yunnanese who worked in Burma during the dry season) and to a lesser degree in Tavoy and Mergui. In the more isolated mines it was found that only Gurkha labor would remain for any length of time. Mine owners tried to lure the local inhabitants to hire out their services to reduce the heavy labor turnover, but since most of Burma's mines were situated in sparsely settled and generally unarable areas, most of the labor had to be brought in from other regions.

464 315 Few indigenous laborers were employed in metallic mining; they were much more numerous in the exploitation of non-metallic minerals. In the middle and late 1930's there occurred an appreciable contraction in

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TABLE II: NUMBER OF FACTORY EMPLOYEES IN BURMA *

Industry	*All Burma* *1940*	*1939*	*All Burma 1940* *Perennial*	*Seasonal*	*Rangoon Only* *Perennial*	*Seasonal*
A.						
Government and Local Fund factories	6,994	6,265	6,940	54	2,088	..
Textiles						
Woolen mills	430	420	430	..	..	..
Engineering	4,802	4,208	4,802	..	1,192	..
Dockyards	806	730	806	..	742	..
General	187	129	187	..	174	..
Ordnance factories	516	162	516	..	..	..
Railroad workshops	3,293	3,187	3,293	..	276	..
Printing presses	1,302	1,256	1,302	..	681	..
Sawmills	110	85	110	..	110	..
Cotton ginning and baling	54	64	..	54	..	..
Leather and shoes	130	108	130	..	..	..
Sewage and pumping	42	..	42	..	42	..
Quinine tablets	63	63	63	..	63	..
Water pumping	61	61	61	..	..	..
B.						
All other factories	82,389	81,681	77,291	5,098	23,047	..
Textiles	2,423	2,495	2,423	..	..	..
Engineering	5,701	5,376	5,701	..	3,541	..
Minerals and metals	7,990	7,579	7,990	..	927	..
Food, drink, tobacco	43,902	44,579	42,516	1,386	8,283	..
Chemicals, dyes	4,356	4,312	4,356	..	2,912	..
Paper and printing	1,379	1,156	1,379	..	1,379	..
Wood, stone, glass	11,936	11,365	11,936	..	5,336	..
Cotton gins, presses	3,712	3,497	..	3,712	..	..
Miscellaneous						
Rubber, rope, etc.	990	1,076	990	..	169	..

* *Annual Report* on the working of the Factories Act in Burma, 1940, pp. 12-13.

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[12] *Ibid.*

Indians

the volume of labor required in the oil industry, both in the refineries 464
and at the wells, apparently because of the completion of construction 315
work. Baxter's analysis indicates that during that period there was a slight increase in the number of Indians employed in the skilled categories but a decrease in those doing unskilled work and it appeared likely that Burmese were being employed in an increasing extent in the unskilled labor associated with the normal routine of the oilfields.

Textiles. For many years the total number of persons registered as 286
employed in the cotton-textile industry was around 6,000 to 7,000, over 288
half of whom were employed by the gins. Yet, according to the 1931
census, there were 234,892 persons in Burma engaged in cotton spinning, 464
sizing, and weaving—the majority of whom were part-time workers,
mainly women, performing their tasks outside the factories. Probably [438]
only 1 per cent of the persons engaged in the cotton industry were urban as against 99 per cent dwelling in rural areas.

The growth of cotton mills in the dry zone represented one of the more important recent industrial developments in Burma. However, most of the newer mills were on a very small scale so that—as in the rice-milling industry—the growth in employment was not commensurate with the numerical increase in units. The cotton industry expanded in an area and under conditions which were very different from those of the Indianized sections of Rangoon and the south. Consequently Indian labor did not succeed in penetrating it to any appreciable extent. In 1940 only about one-eighth of the skilled and one-fifth of the unskilled workers were Indian. This industry has been seasonal in Burma, and the labor force, especially at the period of maximum employment, was recruited principally from among Burmese living in the districts adjacent to the mills.

Sawmilling. The preparation of timber, particularly teak, was such a 313
well-established industry in Burma that there was over recent years little
variation in the number of workers employed. The increase in the total 464
number of workers employed from 1935 to 1939 was due to a revival in the export trade of teak, after the depression conditions prevailing in the early 1930's.

Statistics indicate the persistent hold which skilled Indian workers have enjoyed, without significant variation, during the five years preceding the war. In the same period, the proportion of Indians obtaining employment as unskilled workers decreased by approximately 5 per cent. Out of the total of 102 sawmills, the 10 mills each employing more than 200 workers accounted for 52 per cent of the whole industry, whereas over 92 units were much smaller establishments. In the latter the Burmese were more than holding their own, but their percentage in the large Rangoon mills shrank to a very small proportion. Nevertheless, the number of Indians engaged in forestry as a whole in Burma was small, amounting in 1931 to only 2.2 per cent out of a total of 52,728.

Public Service

464 [653] Laborers in public services were heterogeneous in character and engaged in the various transport services as well as in road work, water supply, etc. In the second half of the last decade there occurred a steady expansion in the activities of public services, amounting to an increase of 6,000 in the number of workers employed over the years 1934–39. During that period the percentage of Indians among the skilled workers employed showed no significant variation. This was due partly to the fact that skilled workers in services such as transport and those employed by public bodies, such as the municipalities and the port of Rangoon, were normally engaged for long-term periods so that there was little opportunity for a rapid increase in the number of Burmese employed, despite the growing nationalistic demand for a 50 per cent Burmanization of such industries. In the unskilled categories the case was different; in these there was a decline of about 10 per cent in the proportionate employment of Indian workers.

Handicrafts

438 464 Handicrafts, more important than large-scale industry in Burma, were carried on primarily in the rural districts and in most cases by part-time workers, though some towns became famous for their craft output. A large proportion of Burma's pottery, clothing and articles of daily use was made by village artisans who carried on such work in conjunction with other activities. Most of the textile producers and those engaged in the food industries were residents of the countryside, the metal and chemi-

463 TABLE III: NUMBER EMPLOYED IN COTTAGE INDUSTRIES IN BURMA, 1931 *

Industries	*Number*
Cotton spinning, sizing, and weaving	234,892
Lacquer workers, makers of bamboo and wood products	66,462
Tailors, milliners, dressmakers, etc.	51,190
Silk spinning and weaving	45,908
Carpenters, turners, and joiners	42,260
Toddy drawers	36,434
Manufacturers of tobacco	24,296
Makers of jewelry and ornaments	21,680
Blacksmiths and other iron workers	12,997
Workers in other non-precious metals	9,988
Potters and makers of earthenware	12,454
Boot, shoe, sandal, and clog makers	8,394
Condiment and candy makers	8,164
Makers of hats, caps, umbrellas, etc.	6,213

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* Somewhat less than half the persons listed were full-time workers. In a few cases, such as cotton spinning, a small part of the total consisted of workers in urban factories. The proportion so employed was, however, never over 1 per cent.

Indians

cal industries being the only ones with about half of their workers living in urban areas, and the majority of them were employed outside of factories. [438] 464

According to the census report of 1931, wage-earners and working dependents of all races engaged in industry numbered 664,376, of whom 536,995 were indigenous and 104,767 were Indians. Of the Indian component 93.1 per cent (97,589) were immigrants from India and 6.9 per cent (7,178) were local-born.[13]

The textile industry was carried on almost entirely by the indigenous races; the number of Indians enumerated under textiles—773—was insignificant. Of those engaged in the wood industry 84.8 per cent were indigenous and 9 per cent were Indians. The majority of the Indians were employed in the sawmills, and only 616 of those engaged throughout this industry were born in Burma. In the food industries 70.9 per cent belonged to the indigenous races and 26 per cent were Indians. Indian rice-pounders were numerous, accounting for 33,360 out of a total of 63,290 persons so occupied, and nearly all of them were born outside of Burma. In the dress and allied industries, 68.3 per cent of the earners and working dependents were indigenous, and 26.1 per cent Indians. The racial division was somewhat more even in the chemical and building industries. In the former, 43.4 per cent were indigenous and 53.7 per cent Indians; in the latter 50.9 per cent were indigenous and 40.9 per cent Indians. The ceramics industry was almost wholly carried on by the native peoples, the number of Indians engaged in this work forming only 6.5 per cent of the total.

Burmese craftsmen usually acquired training in their skills in the traditional fashion, either through being taught by their fathers or through an apprenticeship system. The government accomplished little, even in the fields of textiles and lacquer, in which it was the most active. The inadequately staffed Cottage Industries Department ran the Saunders Weaving Institute at Amarapura and the Lacquer School at Pagan, and supported a few traveling weaving instructors. A Fine Arts School was organized in Rangoon, in the late 1930's, as a result of the recommendations of the Campbell Commission on Vernacular and Vocational Education, and annual arts and crafts exhibitions were held. In 1937 the Burmese Senate recommended to the government that it immediately establish a central industrial institute in or near Rangoon, and intermediate ones in Meiktila, Moulmein, Bassein, Mandalay, Akyab, and Prome districts "to impart practical training in rural industries to pupils who pass the middle part of the Anglo-Vernacular or English School examinations."[14] Simultaneously the government was asked to grant one hundred [868] 874

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[13] *Ibid.*, p. 31.

[14] *Senate Proceedings*, Vol. 2, August 18, 1937.

Indians
Chinese

874 traveling scholarships for the study of small industries in neighboring
countries. Agitation for the development of cottage industries as a dis-
tinctive Burmese activity did not achieve concrete results before the out-
break of the Pacific War.

531 Burma's traditional arts and crafts give proof of a widely developed
artistic sense, even though they were, at least before the Japanese occupa-
517 tion, generally declining. The Burmese had found other uses for their
leisure; improved transportation made it easier for them to travel; export
178 markets were never organized and the Burmese Court no longer func-
tioned as a means of disposing of craft output; and, above all, fashions
438 changed rapidly as a result of the importation of cheap machine-made
goods. Chinese and Indian immigrants virtually monopolized certain
trades like carpentry, furniture making, and the slipper industry.[15] How-
ever, the Burmese craftsman managed to survive as a cartmaker, gold-
smith, worker of lacquer, and—in the delta—as boatbuilder. A number of
crafts, like those of basketry, toy-making, etc., continued to exist, though
not on a commercial scale. Cottage industry has never been so basic in
Burma as in some other Asiatic countries and before the war, despite
official efforts at encouragement, had not found the vitality to compete
with its industrialized rivals.

3

IMMIGRANT LABOR

167 BEFORE THE WAR, there were two major groups of immigrants in Burma, Indians and Chinese, of which the former were by far the more important.

Indians

167 The immigration of Indians into Burma began on a large scale in the
second half of the nineteenth century with the growth of foreign markets
464 for Burma's rice. The part played by Indian agricultural labor in bring-
ing Lower Burma's wastelands under cultivation was small in comparison
477 with the contribution made by Burmese farmers. It was principally in
operations connected with trading and industry, for which their long
association with the Burmese and with the British qualified them, that
Indians were active. Only in recent years have Burmese and Indian
enterprise become competitive.

167 The successive but variable census reports, the statistics of steamship

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[15] Christian, John L., *Modern Burma*, Berkeley, 1942, ch. ix.

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Indians

companies, the records kept by Port and Health Officers, and the rare 167 official inquiries into the subject supply the sole (and fragmentary) data regarding Indian immigration. The time of year in which the census was taken; the Indians' suspicious uncooperativeness in the attempt made in 1931 to differentiate between those born in and those born outside of Burma; and the religious rather than racial basis used in presenting census figures until 1921—all have militated against a comprehensive knowledge of Burma's immigration problem. Although in general it may be assumed that until 1931 the Indian population grew continuously in numbers and that its rate of growth exceeded that of the population as a whole, rising in a sixty-year period from some 5 per cent to about 11 per cent of the population of Lower Burma, the rate of increase slackened in the 1920's and in the next decade the numbers actually declined.[16] (In 162 1921 Indians in Burma as a whole numbered 887,077 of a total population of 13,212,192, and in 1931 comprised 1,017,825 of a total population of 14,667,146.)

Indians in Upper Burma have always been few; in large part they have been concentrated in and around Rangoon and the district of Akyab. On the whole the volume of emigration from India seemed to adjust itself to the conditions of economic prosperity in Burma, but there were also factors in the local situation which suggested periodical and serious maladjustments in the labor supply.[17] The journey from India was short and cheap; the wages in Burma were sufficiently higher than in India to attract an almost inexhaustible stream of Indian labor; and Indian immigration into Burma followed a fairly regular pattern and one 464 largely independent of seasonal movements. The great majority of Indian immigrants were unskilled laborers, who might be called "permanently temporary" in the country. They usually stayed for two and a half to three years at a stretch, returned to India for a period of about six months, and then came back to Burma. Apparently this movement was quite unregulated, most of the workers making their own arrangements for employment and returning to India only for holidays or because they were incapacitated for further work in Burma. Despite the highly transient character of Burma's Indian population, there was a steady increase 162 in the proportion of local-born Indians. In 1940 approximately 40 per cent of the Indians in Burma were believed to have been born in the country.

In 1939, by no means a record year, the port of Rangoon recorded 222,265 immigrants and 178,292 emigrants. While the capital accounted for the bulk of Indian passengers traveling between the two neighboring countries, Akyab, a port engaged in similar traffic, was second only to

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[16] Baxter Report, p. 3.

[17] *Ibid.*, p. 104.

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167 Rangoon. That same year Akyab received 21,689 incoming and saw 29,107 outgoing. The excess of outgoing passengers has been an annual feature of this port, for, during the harvest, most of the laborers from Chittagong came into the district by land and at the end of the season departed by the sea route.[18]

464 563 In 1931 the male Indian earners in Burma were divided as follows: unskilled and semi-skilled, 206,555; agriculture, fishing and hunting, 140,523; traders and shop assistants, 82,549; craftsmen, 48,305; and clerks, 20,037. A comparative classification of these earners and their working dependents showed that Indians provided 9.4 per cent of the labor force in 1931. In industrial employment there was a decrease between the years 1931 and 1939 in the percentage of Indians employed from 70.1 to 67.5 per cent, although during these same years there had been an increase of 14,557 in the absolute numbers of all earners.[19] Agricultural workers were predominantly indigenous with Indian earners in cultivation no more than 5.2 per cent of all the male earners; in other occupations the percentages of Indians were very much higher.[20] Indian semi-skilled and skilled laborers represented about half of all the male laborers, and the part played by Indians in the working life of Rangoon was overwhelming. Over 90 per cent of all male earners in the capital were in the four categories of clerical workers, craftsmen, unskilled and semi-skilled, traders and shop assistants, and for every indigenous male worker there were five Indian male earners; in unskilled and semi-skilled labor there were ten Indians for every indigenous income-earner; in crafts, more than two Indians for every native craftsman; and over five Indian traders and shop assistants for every indigenous counterpart.[21]

Chinese

167 563 In 1931 Chinese immigration into Burma totaled 193,594, of whom more than 60,000 lived in the Shan and Wa States along the China border. They constituted only 1.3 per cent of Burma's total population but the large concentration of this racial element in the same regions as the Indians made the impact of aliens appear more obvious to the indigenous peoples.

In Rangoon the Chinese formed a large and important trading group. In 1941 they were estimated to number 22,759 males and 13,797 females, representing an increase of more than 6,000 over the figure reported in the 1931 census—undoubtedly as a result of the construction of the Burma Road. This increase, coming as it did with the rising tide of Burmese

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[18] *Report on the Public Health Administration of Burma, 1939*, Rangoon, 1940.
[19] Baxter Report, p. 105.
[20] *Ibid.*, p. 35.
[21] *Ibid.*

Chinese

167 563 nationalism, led to fears in the Burmese Legislature that the famous road would induce large-scale Chinese immigration. Completion of the agreement restricting Indian immigration into Burma was to have been followed by an analogous arrangement with China, but this was delayed by Premier U Saw's ill-starred trip to Great Britain.

464 548 By far the greatest proportion of Chinese were engaged in mercantile pursuits, of which perhaps the pawnshop business and the illicit opium traffic attracted the most attention. It was only in the field of mining, where they formed almost a fourth of the total workers so employed, that the Chinese were important as laborers.

TABLE IV: CHINESE EMPLOYED IN BURMA, 1931

Occupation	*Number of Chinese*	*Percentage of Total Employed in Occupations*
Mining	2,940	23.7
Metals	2,235	10.4
Banking, etc.	1,060	9.8
Hotels, cafés, etc.	7,505	10.0
Trade	38,419	6.9

563 Although their economic importance far outweighed their actual numbers, as everywhere throughout Southeast Asia, the Chinese in Burma, despite the recent increased tempo of their immigration, remained less of a minority problem than they did in Siam or Malaya (where they formed respectively 21 per cent and 43 per cent of the total population). Their relations with the Burmese were probably the most cordial of any Sino-native relations in the whole region, chiefly because they brought fewer of their women with them (males outnumbered females by a two-to-one ratio) and therefore many married Burmese women and reared their children to regard themselves as Burmese.

4

LABOR LEGISLATION AND WORKING CONDITIONS

466 [464] WHILE BURMA'S LABOR legislation has been almost unaffected by direct action by the laborers themselves, the wage-earners' chief problems received occasional and inadequate legislative attention. Unemployment and intermittent employment, consequences of the seasonal character of so much of the country's production, were long recognized as the major causes of such labor unrest as existed, particularly in Rangoon, but little was done about them. Industrial employment, in the true sense, was pro-

466 vided largely by British firms which made no attempt to impose hard [177] working conditions. On the whole, such legislation as existed was the result of copying or adapting the British laws most applicable to Burma.

[646] In many ways Burma had a unique labor position in the Far East. Burmese laborers were under less restraint than in many other Oriental countries; a juvenile-labor problem did not exist, and not only was labor represented in the Legislature but separate representation was provided for both Burmese and non-Burmese workers. Freedom of contract existed and wages, although very low, were much higher than those prevailing in [674] China and India. Recognition of the relationship between the seasonal character of rice-farming and the serious prevalence of crime and agricultural indebtedness in Burma stimulated the work of the Rural Reconstruction League and lay behind the State Aid to Industries Policy.

Labor Laws

Much of the labor legislation represented hangovers from the preseparation regime; the most important were the Workmen's Compensation Act of 1923, the Factories Act of 1934, and the Payment of Wages Act of 1935. Although subsequently some of this legislation was extended to the Shan States, Burma's labor laws were by no means applied evenly [468] throughout the country. This was also true of such labor measures as the Conciliation Boards (set up *ad hoc* to deal with specific strikes and in some instances failing to effect settlements) and the various commissions appointed to study the labor conditions of certain regions and occupations. These latter included the Oilfields Labor Committee, the Rangoon Industrial Committee, and the Immigration Commission. Usually they concentrated on Rangoon's problems, were wholly official in character, and had no representative of labor in their membership.[22] There was no compulsory social insurance or pension schemes for non-government employees, although these were under consideration before the Japanese invaded Burma.

The Factories Act of 1934, superseding a similar act of 1911, widened control over matters affecting the health and safety of workers, reduced the maximum period of daily employment (in which a statutory distinction was made between seasonal and non-seasonal factories) and increased the rates of overtime pay for certain forms of labor. This act, however, applied only to premises where power was used in aid of the manufacturing process and twenty or more workers were employed (excepting rice mills). With reservation it was extended in June 1938 to the Shan States. In 1940 it applied to 1,088 factories.

The Workmen's Compensation Act of 1923 was carried over in Burma under the terms of the separation agreement. Under this act, a workman might obtain compensation in all cases where personal injury was caused by accidents occurring in the course of employment, provided he had followed the safety rules and had not been guilty of misconduct. It was not necessary, under this act, for the injured workman to prove negligence on the part of the employer and occupational diseases were also covered. The weakness in this legislation lay in the absence of compulsion throughout the field of industrial labor. It did not apply, for example, to employment on the railroads, nor to clerical workers or to employees earning more than Rs. 300 a month. However, as the average unskilled laborer's pay ranged from Rs. 30 to Rs. 45 a month, the act, where it applied, covered the main group. 466

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[22] Rangoon *Times*, July 30, 1939.

The act was administered by special inspectors in the few existing industrial areas and by the judiciary in other regions. In 1939 industrial units insured under this act included 49 rice mills, 3 oil mills, 12 sawmills, 22 engineering establishments, 7 petroleum refineries, 3 smelting plants, 1 tramway company, 50 mines, and 28 other establishments.[23] The insured units on the whole were larger than those not insured, so that while only 13 per cent of the total were reported as insured under the act, these employed 37 per cent of the country's non-agrarian labor. This act was regarded by the government as a measure of insurance for workmen against factory risks, but it could not fulfil that function until it was also so regarded by the employers, especially those with small labor forces. The best agencies for making the act work would have been the trade unions, but in the years between 1934 and 1940 very few of them assisted workmen in prosecuting their claims.[24] [467]

The Payment of Wages Act was introduced in India in 1935. In 1938 some of its provisions were applied in Burma. This act provided for the appointment of an officer in Burma to inquire into laborers' grievances, particularly the non-payment or irregular payment of wages, deductions of pay for sickness, and the like. Its purpose was to remedy the habit of some employers who persistently withheld wages and arbitrarily imposed fines in order to retain an undue hold over their labor forces but it applied only to employees in factories registered under the act and on the railroads. Restricted as was its application—and there was increasing agitation in the Legislature to have the act extended to cover labor of all categories—matters connected with its enforcement took up an increasing amount of time of the very limited Factories Inspectorate. In 1939, complaints about delayed wage payments were investigated in fifteen factories.[25] One of the greatest obstacles to even a limited enforce- 466 465 000

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[23] *Ibid.*, August 23, 1939.
[24] *Ibid.*, September 28, 1940.
[25] *Ibid.*, September 25, 1940.

[472] One[1] of the greatest obstacles to even a limited enforcement was the number of small concerns which underwent frequent
466 changes of management.

465 The war prompted an amendment to the act which was considered highly unsatisfactory by those concerned with promoting progressive labor legislation for Burma. In March 1941 an amendment was proposed to the Legislature to do away with the legal restrictions imposed
[454
722] on wage deductions on the ground that many applications had been received by railroad and commercial employees requesting a deduction from their wages for investment in war-savings schemes, and the current act prevented acceding to this request in the case of employees receiving less than Rs. 200 a month. The ostensible object was that of "encouraging thrift among that class of employees which ordinarily had no provident fund or pension to anticipate, and also to give individuals with limited income an opportunity to aid voluntarily in the prosecution of the war."[26] One Burmese legislator asked that the public be circularized on this amendment, which he regarded as dangerous from the laborers' viewpoint in that it contained no time limit for the operation of its provisions. It was unlikely, he said, that such a poor class of employees—who could hardly support their families—would be able to make a contribution to war funds. Further, it gave the employers, "in whose interests the present war is being waged," power to coerce their employees into subscribing.

466 The war inspired interest in labor legislation, but more in discussion than in actual accomplishment. An Industrial Labor Committee, appointed in October 1939, enjoyed a wider scope than had its predecessors; its competence included the maistry (contractor-overseer) system, rates of payment, hours of work, regularity of employment, and the extent to which the principles embodied in the Factory and Payment of Wages Acts could be applied to those categories of labor theretofore excluded. The committee also branched out to study the problems of labor's indebtedness, housing, medical care, holidays, and provident funds.

The appointment of this committee, the range of questions it was to study, and the fact that it solicited expressions of public opinion, were regarded as big steps toward official recognition of the importance of more complete labor legislation. Just after its appointment was announced, the president of the All-Burma Labor Federation asked the Premier for legislation assuring a minimum wage, unemployment insurance, a housing program for laborers, the appointment of a Labor Commissioner for Indian Workers, the complete enforcement of the Payment of Wages Act, and the decasualization of labor.[27] In a letter

[1] [i.e., of the payment of wages act--Analyst]

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[26] *Ibid.*, March 19, 1941.

[27] *Ibid.*, July 16, 1939.

addressed to the Commerce Department, the Federation went even further and asked for representation on the Railroad Board, the Corporation of Rangoon, the Rangoon Development Trust, the Commission for the Port of Rangoon, and the Burma Board of Film Censors. While the government was not prepared to accede to such a program, this request sketched the foundation of a far more complete labor code than the skeleton legislation which then existed. 466

Pending settlement of the major labor problem—the restriction of Indian immigration, under investigation by the Baxter Commission—the government announced its intention of introducing two interesting labor bills.

The first, the *Industrial Disputes Settlement Bill*, drafted by a private member of the Legislature, was considered in the Lower House during April 1941. The increasing number of strikes in Burma had made it apparent that some better machinery must soon be established to handle such disputes. The existing law stopped short at conciliation, and there was need to give the Conciliation Boards set up for the settlement of individual strikes the power of compulsory arbitration. Burma was experiencing more and more of the lightning type of strikes so prevalent in Malaya: the strikers often stopped work before formulating their demands, and then disavowed their chosen representatives if immediate satisfaction was not forthcoming. The bill now introduced was modeled after that of Bombay, with a larger maximum penalty against employers but no change in the penalties incurred by laborers. The two main objects of this measure were to prohibit strikes and lockouts during conciliation and to achieve legal recognition of trade unions. Unfortunately, discussion concentrated on the advisability of adopting the Bombay Act, which was an elaborate measure designed specifically for that city's highly concentrated mill industry and hence unsuited to Burma. It required, for its working, a large staff of officials who were not available in Burma. While the U Saw Ministry could hardly object to a bill favoring the amicable settlement of labor disputes, the Premier asked for its withdrawal pending the introduction of an analogous measure which his government intended shortly to draft. 466 468

The second bill, the *Burma Shops Bill* of 1940, was accepted by the Legislature in its underlying principle of regulating hours, but the practical difficulties facing its application in a country with such varied occupations, such regional differences, and so many types of family labor, were at once recognized. In mining, for example, Chinese coolies were said to prefer the tribute system—where earnings depend on the amount of ore extracted and on the world market price—a sort of piecework system which permitted them to regulate their own hours of work. On the other hand, the employees of the big European companies at Namtu and Bawdwin generally worked a regular eight-hour day. In the jails, where 466

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466 agriculture and trades were taught, a maximum nine-hour day was enforced, but no compensation was paid for this type of work. Under the maistry system, indirect payment was the rule, though the end of this type of intermediary was clearly in sight.

Thus, prior to the Japanese occupation, the government under stimulus of war pressure was working to fill some of the worst gaps in its rudimentary labor code. But the actual legislation achieved was so sketchy and so unevenly applied that only the limited degree to which Burma was industrialized and the existence of comparatively good working conditions in the country prevented Burma from being one of the labor sore-spots in Southeast Asia.

Working Conditions

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464 *The Maistry System.* The official recruiting of Indian laborers in India came to an end early in the twentieth century when the government found the flow of Indian immigration sufficiently spontaneous for its needs. Even as recently as 1939 there was no evidence submitted to the Baxter Commission that pointed to any direct recruitment in India of laborers for private enterprises in Burma, although assisted passages were arranged on a small scale by gang maistries (labor contractors with varying functions) and at times shipping-company agents played up job possibilities in Rangoon to encourage Indians to emigrate. For many years the supply of labor in Rangoon, at least, seems to have been appreciably in excess of normal requirements.

In 1939 employers in industrial establishments were asked to make a specific report in regard to their laborers recruited from outside of Burma. Only forty-one establishments returned replies. These indicated that the total number of their employees of all races especially recruited amounted to only 549 skilled and 1,938 unskilled workers.[28] Even these small numbers may have been an exaggeration, as some firms interpreted the question as applying to all their employees not born in Burma. Meager as were these data, they tended to confirm the conclusions reached in the 1934 inquiry: the number of workers in Burma especially recruited formed quite an insignificant proportion of the labor force there; Indians made their own individual arrangements for work in Burma, and were replaced in most cases by other Indians having some link with a particular industrial establishment.

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464 If the maistry had practically disappeared as a recruiting agent, he still survived as a labor contractor and foreman. His importance, however, had declined and he no longer contracted for the entire care of a certain commodity—paddy, for example—from the time it arrived at the

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[28] Baxter Report, p. 75.

Indians
Chinese

mills till it was shipped on cargo boats. In most contracts no mention 445 was made of the number of workmen required, the maistry simply agreeing to supply those needed. A sum was usually deposited by the maistry 464 with the firm as security, to be forfeited if he failed to live up to his pledge. In most cases he made an agreement with one or more gang maistries, who did the actual rounding up of coolies. The maistry controlled his laborers through the time-honored devices of advancing money for trips, debts, illnesses, and the like. The maistry either paid wages lower than those given him for the purpose by the employer, or took a commission on the wages, or both. In 1928 the maistry's profit amounted to anywhere between 6 per cent and 12 per cent. Cuts on food distribution were usually the province of the sub-maistry.

When originally introduced, the maistry system[1] had the advantage of [563] assuring labor supply and relieved employers of the irksome administrative work dreaded by unilingual Europeans. With time it became apparent that the system not only worked malignantly in the economic sphere but also aggravated Indo-Burmese racial antagonism. Burmese were handicapped because they had no head maistries with capital who could make contracts directly with shippers for the transport of such commodities as teak, coal, and salt—the traditional monopolies of Indian laborers. Indian head maistries were in a position to finance their own coolie gangs and were preferred by some employers in order to avoid the nuisance of day-to-day advances. Most maistries preferred Indian laborers because they were more docile about submitting to their exactions.[29]

Obviously the indirect system of payment was open to very serious [177] abuse, but employers who tried to pay their coolies themselves found they could not wholly uproot the system, for a well-established maistry seemed able to continue to receive his traditional percentage.

Wages. Wages varied not only with the type of employment, but also 465 regionally and racially. Despite the labor unrest of 1938 and 1939 and some wage rises, no upward trend in the wage scale was noted during the years preceding the Japanese occupation.

In mining, wages were about twice the income of an agricultural laborer. Burmese laborers in the oilfields received between Rs. 30 and Rs. 45 a month. Among the Chinese miners the tribute system prevailed, and earnings depended upon the amount of ore extracted and the prices for tin, tungsten, etc., in the world market. Although the Chinese were notoriously industrious and liked to work on their own initiative, no case was reported of their average earnings exceeding Rs. 50 per month.

More detailed information is available on wage payments in the port 445 of Rangoon. Stevedore and foreshore coolies were organized and re- 465 munerated on a different basis. The former made their contracts directly

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[1] [i.e., use of labor contractors--Analyst]

[29] *Ibid.*, p. 83.

465 445 with head maistries who distributed work among gang maistries who, in turn, controlled and distributed wages paid to individual laborers. The greater part of this work was arranged for on the basis of a daily wage ranging from Rs. 1 to Rs. 12, which had been fixed by a Conciliation Board after the Coringhi riots of 1930. This rate was apparently maintained for work which coolie gangs received direct from other maistries to fill in the gaps between their regular periods of employment. Settlements occurred every two to three months between the stevedores and the head and gang maistries. Head maistries usually got advances for the stevedore groups once a month, normally about 50 to 60 per cent of the full amount owed them. As a result of this indirect system of payment, the wages of laborers were always in arrears, sometimes for several months, and it was generally believed that the head and gang maistries retained a margin for themselves, although little definite evidence on this subject has been available.

Arrangements made for the employment of foreshore labor followed a different system. For the handling of goods once landed upon the wharf, the foreshore head maistries made contracts directly with the shippers of goods. Most of these contracts were expressed in terms of piece rates rather than the daily wage basis. The head maistries then made their own subcontracts with gang maistries, who in turn engaged the laborers and paid them on piece rates. In this foreshore work, laborers might get more regular employment, amounting to 20 to 25 days a month during the busy season and 14 to 15 days during the slack period. The normal rate of wages worked out at an average of about 9 annas a day. Baxter believed that "nowadays dock laborers are more generally aware of their rights and of the exact sums due them, and such abuses as still exist are not on the same serious scale as they were in former years."

Payments made to agricultural laborers seem generally to have been more in kind than in cash. The Searle Inquiry of 1934 established the fact that groups of local harvesters in Lower Burma worked on the same terms as the Indian gangs. The most usual form of remuneration was a percentage—usually a tenth—of the crop reaped. It was found that payments were sometimes made by area—that is, Rs. 2 per acre were paid, plus subsistence rations—or even the daily wages of 6 annas. A more recent report indicates that an agricultural laborer would receive seven months' board and 100 to 140 baskets of paddy, and for the remaining five months of the year he would return to any handy employment in his village or work on roads for the government.[30] The standard wage for road work or forest labor was 12 annas per eight-hour day.

Baxter found that the remuneration received by Indians for heavy

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[30] Andrus, J. R., *Rural Reconstruction in Burma*, Bombay, 1936.

Baxter found that the remuneration received by Indians for heavy 511
labor was slightly lower than for Burmese, where the two were comparable, but that it was much the same in skilled and semi-skilled occupa- 465
tions.[31] This was attributed to the differences in the living standards of the two racial groups. In almost all cases the Indians had left their 167
families in India and lived very cheaply, crowded together with twenty-five or thirty of their fellow-workers, with food and lodging provided 563
by the gang maistry at a low contractual rate, or arranged for by the coolie gang itself. It is a sad commentary upon the poverty of southern India that such low wages were sufficient to induce large numbers of Indians to leave their villages and families for two or three years at a time and engage in hard, monotonous labor with disciplined regularity in order to remit such small pittances to their homes. The equivalent wage was accepted by Burmese only as a last resort and in such a spirit of revolt that it led periodically to violent outbreaks. Employers long recognized that among the agricultural and laboring classes the living standard of the Burmese was appreciably higher than the Indian. The former insisted on living with his family at some distance from his work, even when free lodging was provided with his fellow-workers.

Restrictions upon Indian immigration had been opposed by employers 167
in Burma. They claimed that since the Burmese had shown himself disinclined to forms of labor which require exhausting mechanical effort, 464
he should not object to the Indians performing such tasks. However many of the types of work to which the Burmese objected were performed in other countries by animals or machines. One Rangoon employer testified before the Baxter Commission that a demand for increased wages from a completely Burmanized labor force, protected by immigration restrictions, would simply lead to mechanization. The day of the Indian coolie gang seemed, even before the war, to be nearly over. It had never been efficient, and as wages tended to rise it became increasingly profitable to introduce machinery. From the purely Burmese view- [401]
point the quicker the country was mechanized the better it would be for the indigenous peoples who, being handy with machinery, would in all probability replace a large number of unskilled Indian laborers.

Fines. The data amassed by the Labor Department in regard to fines 465
are very incomplete. Out of the 1,088 factory managers to whom the Department submitted forms for the prescribed return of fines and deductions in 1940, only 36 answered in the affirmative. No reply was received from 140 and 912 blanks indicated that that number of establishments had not fined their employees during the year.

Hours of work. Under the Factories Act, a statutory distinction was 466
drawn between the maximum hours to be worked in seasonal and non-seasonal industries: 60 a week in the former, and 54 in the latter. Work-

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[31] Baxter Report, p. 53.

466 ing hours in rice and sawmills, which together comprised nearly 80 per cent of the premises coming under the act, remained generally at the maximum allowed, according to the Labor Department's report for 1940. Rice mills usually worked continuously throughout a 12-hour milling period. The provision that machinery attendants must take rest intervals was found hard to control by the Labor Inspectors. Continuous-process factories worked on three 8-hour shifts, resulting in a 48-hour week for many workers. This was also generally true for those employed in the heavy industries. Engineering works varied between a 44- and a 54-hour week. Cotton gins continued to work the full 60-hour week allowed for seasonal factories.

[464] The existence of so many small scattered mills made enforcement of working-hour regulations very difficult, but in the late 1930's the number of inspectors under the Factory Act had been increased and consequently the effectiveness of this limited legislation had improved.[32] Another major difficulty was the prevalence of part-time employment: many more persons were employed in part-time handicrafts than in factory industries proper.

The strongest demand for maximum-hour legislation came from urban workers. When the Burma Shops Bill came again before the Lower House in 1941, it was found that one of the major demands from the Shop Assistants Aid and Welfare Society was for a weekly holiday. While many employers had already voluntarily agreed to this, it was not the general practice, especially on the part of small employers.[33] At this time the Society solicited public cooperation, asking people not to shop on Sundays.

[527] In agriculture, working hours depended upon seasons and crops but probably averaged somewhat less than in the temperate zone. Holidays were frequent, especially during the full moon, so that there were seldom more than twenty-four working days per month.

464 462 *Women, children, and adolescents.* In 1940 the daily average of women employed in factories, as defined under the Act of 1934, was 11,770. The average was about the same for the preceding years and the type of employment remained unchanged. Perennial factories, such as those manufacturing matches, hosiery, and rubber shoes, provided regular employment for many. In the districts casual coolie work in the rice mills was frequently carried out by women and during the cotton season many women found work in sorting kappas (cotton lint) and at the gins. The younger women in farming families generally found part-time employment in such industries as cheroot-making. [465] The wages paid to women were about three-fourths of those for men. Since 1937, the law forbids that women be employed in underground work of the mining industry.

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[32] Rangoon *Times*, November 10, 1939.

[33] *Ibid.*, February 20, 1941.

that women be employed in underground work of the mining industry. oo

The Factory Act of 1934 for the first time made special provisions regarding the employment of adolescents (16 to 17 years of age) and reduced the maximum period of their daily employment from 6 to 5 hours. 464 The Labor Department did not give its official blessing to the figure of 937 adolescents (as compared with 1,038 in 1939) as being industrially employed in 1940 on the ground that the classification was inaccurate and that many were listed as adolescents who should rightly have been classed as adults.

According to the same report the employment of child workers was not extensive in 1940 and was confined mostly to light sawdust removing in mills and to kappas-sorting in cotton gins. These children were usually brought to the factories by their relatives who also worked in the same mill. No serious abuses were brought to light—at least officially—over a long period of years. In the last year before the war, a total of 120 children, compared with 94 in 1939, were industrially employed.

Health and safety conditions. Prior to enforcement of the Factories 466 Act of 1934, little had been done to provide medical assistance to factory laborers except in three or four big factories where there was a resident doctor. In some of the more important units a visiting doctor came occasionally, but he was said to pay little attention to the coolies because of the linguistic difficulties of communication; in the small factories no doctors came at all.

After 1934 the enforcement of health and safety provisions under the Factories Act became one of the major functions of the Labor Inspectorate. According to the Department's report for 1940, the standards required by the Act appeared to have been generally complied with by the larger firms, although reasonable allowances had to be made for jungle conditions in many areas. The smaller firms, especially those engaged in mining operations, were most open to criticism; in many such cases the owners seemed to be totally unaware of any responsibility in the matter. The tribute system and the generally fatalistic outlook of Orientals were not conducive to the reduction of accidents, and admittedly the understaffed Inspectorate had to neglect the most isolated mines. In 1940 inspectors visited a total of 918 out of Burma's 1,088 factories.

In 1940 the Inspectorate attested to the conscientious attempt on the part of many factory owners to comply with the Act's safety regulations but claimed that the greatest difficulty lay in keeping the safeguards in working order, once they had been installed. This was attributed less to the ill-will and negligence of owners than to the frequent changes in factory managements and to the lack of adequate supervision in many of the mills. 466

The number of persons fatally injured as the result of factory acci- 165

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[165] 466 [686] dents in 1940 was six—the lowest figure for some time past; the average during preceding years had been 18. However, 388 persons (compared with 331 in 1939) sustained serious accidents and 1,942 (1,753 in 1939), minor injuries. Rice-milling had the lowest accident rate, although such mills gave more trouble than others over fencing irregularities. In 1939 and again in 1940 there was an increase in the number of prosecutions. Convictions were obtained in the cases of 108 persons (compared with 82 in 1939), and fines totalled Rs. 3,996—the highest fine being Rs. 150 and the lowest Rs. 5. The Inspectorate reported that the courts were generally inclined to take a lenient view of such offenses.

Housing. Reports regarding the housing of workers differed radically from location to location. The Labor Inspectorate claimed in 1940 that the housing for industrial workers was on the whole adequate. The Inspectorate had no jurisdiction over the residential quarters connected with factories, and employers were under no legal obligation to house their laborers. In rural areas the problem was not acute. Housing depended largely upon the existence of villages adjacent to the factory site. Some of the larger firms, especially the mining companies in isolated areas, provided adequate quarters, i.e., pseudo-military barracks, and seasonal laborers were often furnished with huts.

466 [164] 362 In Rangoon the problem was totally different. The housing situation was undoubtedly connected with the unenviable health record of that city. In 1937 it had the highest incidence of tuberculosis of any urban area in the world. Rangoon's industrial workers, without employer-provided accommodation, usually lived in very crowded tenements, often managed by a maistry who made profits by overcrowding them so that many workers slept outside in the streets except during the rains. One cause of the abnormal social conditions was the great difficulties which married laborers experienced in finding family accommodation, and, as the majority were Indians, caste prejudices further complicated the situation. The Rangoon Development Trust was engaged in various schemes for comprehensive housing, and the provision of low-cost living quarters was urged fairly consistently by various organizations, but no appreciable change occurred between the period when Bennison reported in 1928 and when Baxter gave his devastating testimony in 1939:

> In Rangoon I have been shocked and saddened to see under what grievous disabilities a large portion of the laboring population of the capital lives. Housing conditions are often squalid in the extreme. . . . As Indians constitute an overwhelmingly large part of the manual workers in Burma, it is mostly they who endure the misery and degradation inexorably resulting from the conditions above-mentioned. One can only hope that the public conscience may soon be quickened into taking steps to improve the lot of the unfortunate, which is a reproach to all concerned. Meanwhile it may be safely said that conditions in certain fields of employment, especially in Rangoon,

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are such that few Burmans would contemplate entering them. They 466 could not live on the wages paid nor in the conditions imposed without sacrificing their self-respect and abandoning ways of decent living 362 to which they are accustomed and which they rightly regard as necessary to the maintenance of a simple but humanly dignified life.[34]

Unemployment. Intermittent employment has been one of the major 464 causes of unrest in Burma. Although this was more characteristic of Rangoon than of the rest of the country, the periodic underemployment of rice farmers was closely associated with the country's unenviable crime record.

Of the 1,027 factories which in 1940 worked throughout the year, 966 were classed as perennial and 61 as seasonal. The latter comprised principally cotton gins, sugar factories, and rubber plantation factories; rice-milling, though subject to seasonal variations, could not have been called a truly seasonal industry. The data supplied to the Baxter Commission indicated considerable variation in the number of workers registered as in full employment during the active season (February) and the slack period (November); the difference amounted to more than 30,000 workers.[35] An analysis of the figures, however, revealed that seasonal variations in the employment of all skilled workers was comparatively slight. For them the slowest season represented a decrease of only 4.2 per cent as compared with the average, whereas in the busy season the percentage rose to 2.9 per cent above the average.

The general impression conveyed by this inquiry as to the comparative stability in the volume of seasonal employment had to be modified when it came to individual industries. The large numbers of workers engaged in the services listed as public administration, as well as those in sawmilling, oil winning, and to a lesser extent in the exploitation of other minerals, were largely unaffected by serious seasonal disturbances. On the other hand, there were violent fluctuations in the number of workers employed in the rice and cotton mills, especially in the categories of skilled workers. In rice mills alone, there was a difference of approximately 25,000 workers engaged in the slack and in the busy seasons, which accounted for about five-sixths of all the truly seasonal employment in Burma. The newer and less well developed cotton mill industry was carried on with even greater proportionate fluctuations, but, as the total numbers affected were small compared with other industries, the consequences were less disturbing. However, even in this industry about 300 skilled and 1,400 unskilled workers were laid off during the slack season.

An inquiry made by the Baxter Commission in regard to the racial composition of the jobless workers during the slack season disclosed that

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[34] Baxter Report, p. 108.

[35] *Ibid.*, p. 75.

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464 20,000 out of the 25,000 unemployed unskilled workers and 2,000 of the skilled laborers in the rice mills were Indians. Therefore, fully two-thirds of the workers affected by seasonal unemployment were Indians associated with the one industry of rice-milling. This appeared to be the most serious aspect of the problem; compared with it, unemployment in the cotton mills, metalliferous mines and other enterprises were subsidiary local problems. A mitigating feature, however, was the large number of alternate employments open to the Indians, such as work on the railroad, in the quarries, as rice-bag carriers, as ricksha-pullers, or as bazaar coolies. In addition, a certain number returned every year to India for a holiday. In the rural districts as a whole, there was probably no very acute unemployment problem among the Indian immigrants.

In Rangoon, however, the unemployment problem was acute, both among the immigrant Indians and among the Burmese intelligentsia. Decasualization of the labor at Rangoon port had long been recognized as a problem but no attempt was made to solve it despite its connection with race riots and strikes throughout the 1930's. The Royal Commission sent out to India to inquire into industrial labor conditions visited Burma's capital in 1929–30 and recommended a more equitable distribution of employment, a system of registering dock labor under the port of Rangoon authorities, and the direct payment of wages to laborers. Almost a decade elapsed, however, before the problem was seriously tackled.

The Baxter Commission, finding that no accurate statistics were available as to the number of workers employed at the port, took the figure of 12,000 to 15,000, arrived at by the Searle Inquiry of 1934, as still approximately exact. This Commission found remarkable unanimity expressed by witnesses: that even the regular coolie gangs at the port could not count on more than eleven to thirteen days' work per month at normal wage rates, with perhaps three or four extra days at lower rates of pay during the busy season (November to May, with the maximum reached in February and March). During the slack season, according to the testimony, there were only nine or ten days of work in the month for casual laborers. As in the rural regions, there were alternate employments. [494] The principal part-time occupation was rickshaw-pulling, but in 1939 the number of licenses granted for rickshaws was further reduced by 500, making the maximum number allowed 2,500 (from 4,137 in 1934), reducing substantially the amount of labor required for that supplementary occupation.

It was "abundantly clear" to Baxter that Rangoon dock laborers, almost entirely immigrant Indians, suffered from persistent underemployment; the general opinion expressed to his Commission was that the bulk of the port's work could be carried on satisfactorily by a body of quasi-permanent, registered laborers, augmented during the busy season by casual laborers. Baxter's recommendations, embodying in substance

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those of the Royal Commission, were finally incorporated into the Ran- 464
goon Dock Laborers Registration Bill, 1940, which was introduced into
the Burmese Senate during the spring session of the following year and
promptly referred to a Select Commission. There was at the time no
indication whether the employment bureaus, also recommended by Baxter, were going to materialize.

One employment bureau was set up in Rangoon in 1939, but its func- 563
tion was simply to provide a liaison between the university student and a
prospective employer. Probably the attempt was made to solve the un- 464
employment problem for this class because the political implications were clearer and its victims more vocal. If the Indians in Burma had confined their competition with the Burmese to the lowest stratum of the labor market, the racial antagonism that developed between them would not have come to the fore so early or so acutely. However, the invasion by the Indians of white-collar positions, both in urban private employment and in government service, accentuated a problem which in the case of the Burmese had its roots in the educational system of the country.

After the founding of Rangoon University in 1921, the character of 177
Burmese education changed radically, and with it the economic set-up.
Formerly, Buddhist Burma emphasized universal, male, primary educa- 873
tion, achieving widespread literacy of a sort but neglecting higher
education. The British introduced a distinctly literary form of second- 464
ary education which created a plethora of degree-holders prepared only
for the overcrowded legal profession and for government service. Vast [874]
sums were spent on creating a stereotyped educational system to the
neglect of technical training—a crore of rupees was the annual average for the Department of Public Instruction as against about 11 lakhs for the Department of Agriculture. From the group so educated came many
of Burma's obstructionist politicians. The educational system failed to [208]
develop a widespread, informed opinion in Burma. This lack largely
neutralized the benefits the country might have derived from the measure of self-government meted out to it.

5

ORGANIZED LABOR

Rural labor, both Burmese and Indian, was totally unorganized be- 467
fore the war, except for the type of activity animating the Thakin party, 665
which, in affiliation with the All-Burma Cultivators League and the

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[665] 467 Pongyis Association, displayed Soviet symbols and subscribed to a radical creed. The interest of these groups, as well as of the Burmese nationalists generally, in the country's rural problems lay far more in a redistribution of the land than in improving the conditions of work for agricultural laborers. The appointment of an Agent by the Government of India in 1939 theoretically safeguarded the interests of all types of Indian workmen in Burma including rural labor, but the inarticulateness of Indian workers at the time of the immigration-restriction discussions suggested that they had made no appreciable progress toward becoming an organized group. [468] The fact that rural labor in Burma is composed of small, scattered groups militated against its effective organization; it was significant that the major non-urban strike in Burma occurred in the oilfields where existed the greatest concentration of rural labor in the country.

[646] Before the war urban labor was organized to the extent that it had its own representatives in the Legislature, where the separate representation of Burmese and Indian labor indicated that apparently the framers of the constitution believed in the essential divergency between the interests of the two groups. Yet U Saw, when negotiating the Indian restriction agreement, piously proclaimed his government's concern to improve the conditions of labor for Indian as well as Burmese industrial workers.

467 563 468 What retarded the development of such embryonic labor movements as existed in Burma was their preoccupation with political and racial issues. The latter, from the outset, was a particularly complicating feature. It was perhaps significant that, in 1935, the first large-scale strike that occurred in Burma was that of Burmese women working in an Indian-owned hosiery factory. Most of the subsequent attempts to treat labor problems on their own merits foundered on the reef of local racial antagonisms. At the first big labor conference held at Rangoon on the eve of the Second World War, more Indians than Burmese attended and, in consequence, an Indian president was elected, to the dissatisfaction of the less-experienced and less-organized Burmese present. Conscious of the possibility that this dissatisfaction might provoke the usual breakdown of all such attempts to create a common labor front, and also to divert Burmese workers from their deep-rooted attitude toward Indians as alien competitors, the new Indian president threw the entire blame for labor's plight in Burma on British imperialism and capitalism.

467 How much further Indians were advanced in labor-organization techniques was shown by the formation of many new unions among Indian workers in 1939–40. In August 1939, a union was formed among Indian shipping laborers; in March 1940, the Tamil Labor Union was organized; in April 1940 that of the Indian dock laborers; and in June 1940 both the Indian employees of the Rangoon Electric Tramways and the ricksha-pullers formed their own unions. In 1941 the various unions

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composed of Indian laborers sent a resolution to the delegates who were then negotiating the immigration agreement to the effect that the opinions emanating from the Indian Chamber of Commerce in Rangoon did not reflect the views of the Indian laboring class in Burma, which alone should be consulted on all matters affecting them.[36] In August 1941 another effort was made in Rangoon to unite the various Indian and Burmese organizations into a Rangoon Federation of Labor. 467

The racial antagonism which obstructed the chance of real solidarity among the country's labor forces was inevitably mixed with politics, and both affected the development of unions and collective bargaining. The close association between the struggle for political and economic independence was made clear by the increase in the number and violence of strikes in Burma after its separation from India. The most significant strikes of the prewar years were those of the Burmese employees of the Burma Oil Company—later the subject of a special inquiry—strikes which if not actually political in origin were made the subject of political dispute in the Legislature. The anti-Indian riots of 1938 were preceded and followed by a series of strikes. 467 563 665 468

It was a curious but understandable phenomenon that transport workers throughout Southeast Asia had generally been the first to organize strikes. In Burma the Rangoon Electric Tramway employees struck in April 1938, and again, with greater strength, in October 1940, so that transit in the capital was paralyzed for some time. A conciliation board was appointed just in time to prevent the unrest from spreading. While this board required a month to effect a settlement, prompter government action resolved a subsequent strike by the laborers at the Duneedaw plant of Steel Brothers. Numerous other strikes in Burma's sawmills and match factories were handled efficiently by the Labor Commissioner and his staff. While this series of strikes was partly a result of war conditions and the rising cost of living, and partly of the general breakdown in authority recognized for some time throughout Burma (notably in the growing lack of discipline among school children), it may be attributed principally to the failure of Burmese labor to organize itself and to keep clear of political entanglements. Most of the strikes had apparently little to do with the wage scale and had little effect on them. An exception was the sawmill strike of April 1941, which had to do more clearly with labor issues, including such demands as the release of arrested union leaders. 468 [178]

Ba Maw and Thein Maung, in two remarkably candid addresses made at a labor meeting held in Rangoon in July 1939, stressed these deficiencies in Burma's labor movement and analyzed their cause. Ba Maw claimed that labor in Burma lacked organization, interested leadership, 467 665

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[36] Rangoon *Times*, June 17, 1941.

467 665 and experience in hard and practical bargaining, and for these reasons it had so far produced only negative results.[87] Unfortunately for the value of his argument, Ba Maw used this occasion to tilt at the Ministry in power. The recent labor agitation, particularly the strikes in the oilfields, had shown the grave dangers of unscrupulous party and personal exploitation to which labor in Burma had been exposed. He emphasized the urgency of forming genuine unions which would devote themselves exclusively to labor questions and keep clear of politics. Such unions, he said, should concentrate on obtaining the right kind of labor laws and give up their habit of shouting slogans and political abuse.

6

POSTWAR DEVELOPMENTS

467 [468] 668 SINCE THE END of the war, the labor movement has made far greater advances economically and politically in Burma than in any other country in Southeast Asia except Malaya. The reasons for this are the progress made by organized labor before the war; the greater self-confidence of Burma's leaders who enjoyed nominal independence and gained greater administrative experience during the Japanese occupation; and the more liberal policy of a metropolitan government committed to supporting the advancement of organized labor. The British, however, have been influenced by the merging of labor with the independence movements under the aegis of the Communist leaders of the Anti-Fascist League (AFL). Strikes have occurred and continue to occur in spite of the presence of a British adviser sent to Burma for the purpose of fostering the growth of trade unionism, largely because the workers' demands combine legitimate labor grievances with political objectives, which, to the British, are impossible. Unionism has developed but within the framework of the AFL, which guides its growth to better effect a sociopolitical revolution similar to that desired by the Malay and Indonesian nationalists. A unique development in Burma is that of the peasants' unions; these have no parallel in other areas of the region.

467 668 563 There is no evidence that labor unions have expanded in Burma as the result of any large, spontaneous demand on the part of the country's workers. Divergent nationalisms have prevented the identification, to any marked extent, of the interests of Burmese laborers with those of the

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[87] *Ibid.*, July 25, 1939.

resident Indians, and, to date, nationalistic political aspirations dominate such unions as exist. Apparently it has not been necessary to resort to forced labor, except in the case of Japanese prisoners, and no serious labor shortages exist despite the curtailment of Indian immigration. The government has not yet resolved this last question, nor has it placed land tenure on a satisfactory basis, or come to grips with the indigenous labor movement. Probably it recognizes that these issues are part and parcel of the whole political problem and cannot be settled apart from it. 467 668 563

Labor Organization

Shortly after the reoccupation of Rangoon by the British, Burma's leaders met to revive and expand trade unionism throughout the country, both in urban and rural areas. In May 1945, labor leaders convened with Thakin Thein Maung, president of the Dobama Asiayone, U Kyaw Myien of the AFL, and other Burmese politicians. Thankin Sein, as chairman of the group, urged all those present to work for such objectives as "the freedom of the world and of Burma."[38] On June 30 of the same year, labor representatives met in the Burmese capital to form an association of trade unionists in Burma; Thankin Ba Hein was elected president of this group.[39] Six days later the *Sun* reported that the Trade Union Congress, which had been started in 1940 under the Indian Trade Union Act of 1926, would begin to function again. 467

Than Tun, secretary of the AFL, published on July 8 a statement of the League's policy on trade unions. It was stated that the AFL felt a responsibility for labor unions, that members of unions might meet unofficially, and that the League to date had made no effort to enroll workers as members nor to form labor unions. However workers were welcome to join if they wished to do so provided that the League, after investigation, was satisfied that the candidates were not Japanese spies.

On September 30 a mass meeting of the All-Burma Laborers' Union was held in Rangoon, and resolutions were passed. Most of these resolutions embodied the Union's political objectives: the Union condemned the British White Paper on Burma, stating that "only a national government formed by the votes of the people who are old enough to vote can set up a legislature which, in turn, can draw up Free Burma's Constitution"; urged the transformation of Burma into an industrial country as quickly as possible in order to raise the laborers' standard of living; advocated a reform of Burma's bureaucracy in general and of its public works program in particular, with special reference to improving the housing of the poor; and proposed the formation of a committee com-

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[38] *The Sun*, July 4, 1945.

[39] *New Light of Burma*, July 5, 1945.

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467 prising representatives of the government, the employers, and the labor unions for the purpose of settling amicably all labor disputes and grievances.[40] Officials of the All-Burma Laborers' Union were elected at a meeting held at the premises of the Socialist Party in Rangoon on November 4.

Mass meetings were frequent during the first half of 1946 and new unions were formed, large organizations of laborers generally preceding, or less frequently absorbing, those of a particular trade. In January, Burma's clerks and office workers formed an association which affiliated itself with the All-Burma Trade Union Congress. The following month the post-office workers formed a union and formulated demands for better working conditions. In March the mining laborers of Tavoy met to form a union and agreed to cooperate with the Burma Miners' Association and to present its desires and grievances to the government.[41] The most important of these trade unions was that organized on January 1, 1946, by the civilian workers on Burma's railroads. This union was a new association and not an outgrowth of the nonpolitical, prewar Burma Railroad Union. In February, the newly formed railroad union, whose membership then reportedly totalled about 2,500 members, sent a delegation to the government which demanded a more complete Burmanization of the railroad services and better working conditions. It also decided to affiliate with the All-Burma Trade Union Congress, thereby greatly strengthening that body and the hand of its president, Ba Hein.

[463] An unusual development in Burma's postwar labor movement has been the organization of peasants into unions under political leadership. Cultivators who had attended the All-Burma Trade Union Congress were asked to a special peasants' mass meeting to be convened at Shwedagon pagoda on January 25, 1946. Resolutions adopted at this meeting enjoined upon all workers in Burma the duty of uniting under a single trade-union congress and called upon cultivators throughout the country to join associations which eventually would be merged into an all-embracing Peasants' Union.

467 Organization of the farming class seems to have antedated the British
reoccupation of Burma. By January 1946, a central committee of the
185 proposed Peasants' Union was involved in the current rice program, taking an active role under the chairmanship of the Communist leader
665 Than Tun, who was also secretary of the AFL and the nationalists' chief spokesman on agricultural reform. His committee urged that the government remit all rents and taxes payable by the farmers throughout Lower Burma, enact a new tenancy law along the lines of the prewar act but which would take into account the programs formulated by the indi-

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[40] *The Sun*, November 9, 1945.

[41] *New Times of Burma*, March 30, 1946.

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vidual peasants' unions, purchase paddy directly from the cultivators and stop all rice exports, and finally set up an Agricultural Projects Board on which the peasants' unions would be represented to make concrete plans for the 1946–47 paddy season. This program included a host of other proposals designed in general to better the farmers' status in regard to land tenure, credit, housing, relief supplies, education, protection against robbers, and the like. In all these proposals, the peasants' unions were the agencies proposed for cooperating with the government in the execution of this program. 467 185 665

The above proposals of the Central Committee represented the most thorough, constructive, and liberal propositions thus far advanced by any group in the country regarding current agrarian problems. It also indicated the aggressive spirit and competence of the AFL, particularly of its Communist elements, on the question of Burma's agricultural rehabilitation. It is also noteworthy that the committee's proposals constituted a political platform calculated to appeal to the nationalist sentiments as well as to the self-interest of the vast majority of Burma's population and one that should arouse widespread support for the AFL in the forthcoming general election.

Strikes

In the months following the British reoccupation of Burma, the Anti-Fascist League's leaders preferred to concentrate upon the organization of labor before launching a strike program. It was not until early in 1946, some months after the military administration had been replaced by the civil government, that work stoppages were organized on an appreciable scale. 468

The most important of these strikes was the one announced in mid-January by employees of the great prewar import-export firm of Steel Brothers. The immediate cause of this strike was a new policy of the Projects Board which had recently taken over control from individual firms. The strike was precipitated by a reduction in the pay scale from Rs. 42-4-0 to Rs. 19 a month plus a living allowance amounting to Rs. 11-4-0. This adjustment downwards, it was contended, derived from an error made originally by the individual company which had been paying coolies at rates appropriate to artisans and technicians. The demands subsequently formulated by the strikers included restoration of the former pay scale, and the establishment of a conciliation board to resolve the dispute. On the basis of figures submitted respectively by members of the employers' group and of the Trade Union Congress, the board submitted recommendations generally favorable to the strikers but refused to fix over-all wage levels on the ground that a much longer and more thorough investigation was required. On the eve of a settlement,

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468 a snag developed over wage payments during the strike. Eventually the workers accepted half-pay for this period and agreed to return to work on February 18. A few days later a new strike threatened over the dismissal of the strike ringleader by the manager of Steel Brothers. He was shortly reinstated, however, without loss of pay, and the company also allowed other union leaders to enter the workers' premises.

Sympathy for the Steel Brothers strikers and the simultaneous occurrence of strikes and riots in Bombay and Karachi inspired other workers in Burma to threaten work stoppages. In February laborers at the Dalla shipyards, numbering more than 1,350 men, went on strike. Without leadership from their own ranks, they approached the AFL for support and guidance. Workers at the Hong Heng and Foucar sawmills struck almost simultaneously with their colleagues at Steel Brothers. In March employees of the Irrawaddy Flotilla Company passed a resolution of sympathy with the Dalla strikers; coolies at the Myingyan wharf struck on March 11. These strikes were followed by others throughout a variety of occupations and eventually culminated in a general strike, unprecedented in Burma's history, which occurred in September 1946. Among the demands for higher pay, larger living allowances, and other improvements in working conditions, several groups of strikers demanded more courtesy and less harshness on the part of their European supervisory staffs. A significant feature of the Dalla shipyard strike was the sympathy for the strikers by the Indian laborers who had been brought in as scabs. Almost immediately they refused to work and had to be replaced by Japanese war-prisoner labor. All strikes received the outspoken sympathy (and in some cases were under the leadership) of the AFL, the All-Burma Trade Union Congress and the Burmese press. In March, Ba Hein, who had emerged during this period as the ranking Burmese labor leader, claimed that labor difficulties were just beginning in Burma: two months previously he had asserted that labor was so well organized under his aegis that he could call an effective nation-wide strike of workers within seven days.

Attitude of the British

Governor Sir Reginald Dorman-Smith was generally sympathetic to Burma's labor movement during his incumbency. A. C. Baker, a labor official from England, arrived in Rangoon on February 21 to help in particular with the Steel Brothers strike and to organize trade unions in general. The local government's chief labor officer, U Kum Zaw, had been active throughout the strike period trying to conciliate the sawmill workers and their employers. But the latter were not receptive to his efforts, probably because he was a Burmese in British employ. At the mass meeting held by the Burma Railroad Union in January 1946, he was hissed by the workers even when he announced that the government had sent him to wish the new-born organization success. 468

The recommendations of the government's conciliation board, which was made up of representatives of Steel Brothers, and two delegates of the strikers under the chairmanship of an Indian civil servant, Payton, had a better reception. Throughout the Steel Brothers strike, the government generally showed itself sympathetic to the workers' demands and exercised considerable pressure on the company on behalf of the strikers. In the Governor's Advisory Council, formed toward the end of 1945, a separate department of labor was set up. At this time considerable interest was shown in the Burmese press for a "new deal" for Burma's laborers. [647] The hardships this group had suffered as a result of forced labor during the Japanese occupation were recalled and the government was asked to appoint immediately a committee "to investigate laborers' affairs and to find out the best way of dealing with them."[42] Possibly in response to such a plea, the government set up a Labor Enquiry Commission.

Government's Wage Policy

Shortly after Rangoon was reoccupied by the British, the Civil Affairs Service (CAS/B) of the military administration inaugurated measures to [458] control inflation and, incidentally, the increased wages demanded by local labor. 465 On May 29, 1945, controlled rates of pay for all types of labor were established by Price Control Order No. 3. In general this pay scale was based on the prewar wages that had prevailed in Rangoon. Under its provisions, all laborers were divided into four classes according to the type of work performed, as follows: clerical and supervisory staff receiving pay on a monthly basis; miscellaneous types of labor also paid by the month (chiefly domestic servants); classified artisans earning daily wages; and unclassified manual workers also receiving pay on a daily basis. Each of these four classes was further broken down according to the specific service performed, and a sliding scale of pay within the class established; in practice a living allowance was usually added to the basic wage. Wages paid to women were generally 75 per cent and to children 50 per cent of those paid for male laborers.

The hiring of all labor was handled by the CAS/B, which divided Rangoon into four labor areas and registered workers according to occupation. 466 As various requests for labor were received, the registers were checked and appropriate workers assigned. The greatest demand during this period was for artisans and domestic servants; there was little need for clerical workers because of the delays involved in the reopening of

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[42] *Bamakhit*, December 4, 1945.

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466 business firms and of civil-government bureaus. Enough coolies were registered with the CAS/B to supply the curre[illegible]demand, mostly for dock workers, but many did not appear for work [illegible]hen called up.

465 The daily wage fixed for coolies during the military administration was 10 annas plus a 4-anna living allowance; an additional inducement was later offered in the form of a free monthly distribution of food or clothing items. This proved necessary to attract a sufficient quantity of [674] labor. A major difficulty proved to be the fear of many laborers to leave their homes and families in outlying villages to work in Rangoon because [362] of the danger of dacoit attack during their absence. Another obstacle was the shortage of housing and transportation facilities in Rangoon, as well as the insanitary conditions prevailing in the dock area.

Far more enthusiastic was the response of government servants to the [647] openings offered by the CAS/B. Employers who had been on the permanent staff in 1942 were given three months' full pay and promised half-pay for the remaining time under the Japanese occupation as well as having the established annual increments in salary made retroactive. Also, all officials received a living allowance. These terms, as well as the prestige and permanency associated with government employment, proved sufficient to lure back to duty all permanent civil officials and to offset the inducement of higher pay offered by private concerns.

As a result of the foregoing measures, wages were fairly well stabilized during the military administration. However, the official rates were not strictly adhered to. Usually the maximum allowed within a job category became the usual and not the exceptional rate paid; special privileges, including tips, free food, and priority in commodity distribution, were added. When the Projects Board took over and introduced pay cuts, strikes broke out. The government's policy was, in general, to re-establish wages at the prewar level and then enable laborers to meet inflationary living costs by supplementary allowances.

Racial Aspects of the Labor Problem

167 563 464 Primarily because the flow of Indian immigration into Burma has not been resumed on a prewar scale and because the government has not yet formulated its policy on this matter, relations between Indian and Burmese laborers in Rangoon have remained fairly harmonious. The government has resisted pressure from the Indians to return freely to Burma and from the Burmese to prohibit Indian immigration entirely. The military administration claimed that the 90-per-cent-Indian and 10-per-cent-Burmese labor force employed at the Rangoon docks worked together amicably. Later, under the civil administration, Indians refused to be used as strike-breakers during the Dall[illegible] shipyard work stoppage. There have been indications, however, that this truce may last only during the present

immigration stalemate. Among the resolutions passed at the January 1946 167
meeting of the Burma National Congress, the government was asked to
define its policy regarding Indian immigration. It was simultaneously advocated 563
that percentages of Burmese and foreign labor would be established;
that all laborers of any nationality enjoy equal status; that foreign 464
immigration be restricted to requirements and that such as came remain
in the country for a definitely limited period; that nonessential alien laborers
be refused permission to reside permanently in Burma; and that
such immigration as was then taking place be completely stopped, pending
issuance of a government policy statement. It is obvious that while
Burmans do not want to prohibit completely the immigration of Indian
laborers, they do demand that the right to restrict and control it be put
into their hands.

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CHAPTER III · MALAYA

1

GENERAL LABOR CONDITIONS

241 PRIOR TO THE DEVELOPMENT of plantation agriculture, no labor problem
464 in the accepted sense existed in Malaya. The growing of rice, coconuts,
423 sago, tapioca, and spices did not create such a problem, for the proprietors themselves worked their lands and harvested the products. The
178 Malays have remained smallholders and in large measure have been unaffected by the rapid development of their country.

[245] In the early years of this century, sugar was grown on a small scale in the northern states. At one time coffee cultivation promised to compete
249 with the sugar plantations for labor, but a serious blight permanently checked its production. The main labor force for both industries was
464 supplied by indentured laborers from southern India, who were imported
167 by individual planters at their own expense for three-year periods. The only aids given them by the government were the provision in 1890, by the Straits Settlements Government, of a depot at Negapatam (Madras Presidency) where recruits were housed and fed while awaiting shipment; the grant for some years of subsidies to a steamship company; and a limited amount of free transportation. Simultaneously a certain number of free laborers were imported, also at the expense of individual employers, who worked on month-to-month agreements.

With the development of hevea rubber plantations, the defects and inadequacies in the current system of labor supply became apparent. Not only was the cost of importing both free and indentured laborers high and their numbers inadequate, but the general practice of crimping greatly aggravated both aspects of the problem. Dissatisfaction was so widespread that, when a proposal was made in 1906 that all employers of Indian labor be taxed and the proceeds paid into a fund usable exclusively for the purpose of importing Indian labor, it was almost unanimously welcomed and for many years proved highly successful.

445 Laborers in India were recruited by *kanganies,* usually foremen on estates in Malaya who were licensed to operate only in their native In-
466 dian villages. Their licenses had to be issued, registered, and approved

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by officials of both countries, and the number of recruits they could engage 445 was generally limited to twenty. Effective precautions were taken against commercialized recruiting: the commissions received by the *kanganies* 466 were modest, the laborers they engaged left with the consent of their village headmen, recruits were well cared for en route to Malaya, and they understood the conditions of their future employment. Although the *kangany* system died out in 1938 owing to the increased flow [464] of nonrecruited and unassisted Indian immigrants and to the quota placed by the Indian Government on emigration to Malaya, it had had the advantage of regulating the supply to the demand and of canalizing the recruits to the places where they were most needed. It spelled the end of the indenture system in 1910 (1914 for Chinese and 1932 for Javanese); it permitted the Indian laborer to land in Malaya free of debt and with liberty to leave his place of employment upon giving a month's notice or upon paying the equivalent time in wages. Moreover, the Labor Department hovered paternalistically over the Indian laborer [563] throughout his sojourn in Malaya, regulating his wages, housing, medical care, and repatriation.

No such supervision was exercised over the Chinese laborer, owing to 167 very different political and economic circumstances, as well as to the general Chinese aversion to paternalism. The Chinese emigrated to Malaya 464 on his own initiative, motivated almost wholly by economic considerations, 563 and neither his home government nor that of Malaya did much to ensure equitable recruiting, safe and comfortable transportation, or minimum wages once in the country. In 1914 indentured labor was abolished, for the Chinese and the Labor Code placed a limit upon the debt owed by the laborer to the recruiting agent. Later, during the depression, a quota was placed upon the immigration of Chinese into Malaya. The [466] Chinese Protectorate and various administrative officials "looked after the interests" of Chinese laborers, chiefly by seeing that they did not get out of hand, but as regards wages, conditions of employment, and welfare, the Chinese pretty much looked after themselves.

Taken together with the few thousand Javanese laborers, imported under special arrangements with the Netherlands Indies Government, the Indian and Chinese immigrants were in general numerically equal to the task of developing Malaya economically. But their transience in the country, their remittances to the homeland, their growing consciousness as a labor force, and the resentment their presence and profits were arousing in the Malays, were creating for the government an increasingly serious problem, and one with political implications. Since, by and large, the indigenous population was neither numerically able nor psychologically willing to hire out its services, the country perforce remained dependent upon imported labor, but the government was beginning to recognize the need to stabilize it.

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563 167 648 The Indians, by virtue of their country's status as a British possession, were long made subject to agreements between the two governments concerned, but the growth of the nationalist movement in India increased that government's use of its powers to prohibit emigration. Its motives were mainly to improve the economic status of Indians in Malaya and to increase the political privileges accorded to them there. The Chinese Government, preoccupied with internal difficulties throughout the interwar period, never played an analogous role, and it vacillated between condemnation, indifference, and, more recently, a not disinterested solicitude for its overseas nationals. Thus while Indian immigration was better regulated according to Malaya's economic requirements, the conditions successively imposed by the Government of India increased its cost, restricted its availability, and aroused a consciousness of its political and economic power and rights. Chinese immigration was handicapped by no such formal intervention—rather, it was stimulated by conditions in the home country—but nationalism grew apace among the Chinese in Malaya and political factors engendered violence among them. Despite consular representation, the Chinese in Malaya were fairly arbitrarily handled, both as regards immigration quotas and in the maintenance of order.

458 [435] 464 [167] One major factor making for instability in Malaya's labor forces was largely beyond its government's control, that is, the country's dependence upon two industries which in turn depended on world conditions. The restriction schemes for rubber and tin, to which Malaya adhered in order to be cushioned against the rapid alternation of booms with depressions, did not prevent violent price and quota fluctuations, and these drastically affected the demand for labor and its wages. The expensive method of repatriating surplus workers during the two interwar slumps solved the problem for neither employer nor employees. Though it was argued that the laborers were returned to their native villages no worse off than when they started, this did nothing to resolve the problem of their employment in their homelands from which they had originally emigrated because of starvation conditions. Moreover, when prosperity returned to Malaya, employers were caught short of labor and the time lag involved in reconstituting their labor forces sometimes proved fatal to industries so highly competitive and so subject to swift change.

563 167 464 The need to stabilize Malaya's labor forces was vaguely recognized by the government and the employer groups, but before war broke out they had not brought themselves to face the issues its solution would have involved. Second-generation Indians and Chinese were no longer content to be "second-class citizens," and wanted full political and economic privileges. The granting of both would have outraged the indigenous people and would have abrogated the British tradition of Malay preference. A few Malay nationalists were already calling for a much more restricted

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immigration of alien Asiatics, were violently opposed to the Governor's proposal to permit Chinese to cultivate rice even as a wartime measure, and refused to consider the possibility of opening more widely the civil service to domiciled Chinese and Indians. To meet the acute labor shortage on the eve of the Pacific war, the governments could think only in the time-honored terms of importing other and less troublesome laborers, namely, Javanese, who mixed well with the local Malays and who were docile and did not demand political and economic rights.

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TYPES OF LABOR

Immigrant Labor

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Indian. Like the Chinese, the Indians had visited Malaya long before the Europeans came. After the British had established themselves in the archipelago, the Straits Settlements served until 1873 as Indian convict stations, the inmates of which were used to build the first public works, and Indian regiments garrisoned the country. With the opening up of the peninsula, Indian labor was encouraged to emigrate to work both in public and private enterprises; this recruiting in the beginning was carried on under flagrant misrepresentation, and the ratio of women to men was extraordinarily low. The Indians themselves had no voice in such arrangements; they were made between the India Office, the Colonial Office, and the Malayan governments.

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Government control was first exercised toward the end of the nineteenth century through regulations to prevent overcrowding on the ships transporting Indian coolies to Malaya. An inadvertent result of this regulation was that fares rose so far beyond the means of poor immigrants that Malayan employers had to send out their agents to recruit laborers in India, and ship-owners and merchants began professional recruiting on a speculative basis. After Malaya's separation from India in 1867, the government of the latter country exercised a measure of control over emigrants. A commission appointed by it in 1880 to inquire into the status of labor in the Straits Settlements and the Federated States found that the quantity was insufficient partly because of the ineffective methods employed by certain professional recruiters; the quality poor because of the inclusion of nonagriculturists; and the cost heavy because recruiting had become virtually monopolized by a kind of agents' trust. In 1897 all restrictions on emigration from India were removed and it re-

167 mained uncontrolled so far as the Government of India was concerned until 1922, except for a brief period during the First World War.

464 Meanwhile the Malayan rubber planters introduced a new type of recruiting by *kanganies,* that is, by workers on rubber estates in Malaya who returned to India to recruit additional laborers for their employers. As this system developed, licenses for *kanganies* were required (1901) in order to alleviate the abuses which had grown up. Under the new system coolies were to be employed on a monthly basis and were no longer bound to a particular estate by a contract. Toward the end of 1906, when a rubber boom gave rise to new estate expansion and to a sudden increase in the demand for labor, crimping threatened to undo the good results obtained from *kangany* recruiting. To solve this problem a common recruiting organization was formed in 1907 to be comprised of all planters who used Indian immigrant labor, and an Indian Immigration Fund was established. Three years later the indenture system was abolished.

167 466 In 1922 the passing of an emigration act in India again brought the emigration of Indians to Malaya under the control of the Government of India and enabled it to impose its terms upon the Malayan governments. A new enactment, built upon the framework evolved by the Indian Immigration Committee, introduced a standard wage for Indian laborers in Malaya; provided for the compulsory education of their children and the payment of maternity allowances to female workers; regulated *kangany* recruiting; and, most important of all, abolished the penal sanctions for breaches of labor contract.

[464] The Immigration Committee was placed in charge of a Malayan civil servant, the Controller of Labor, who represented all official and private interests with the exception of those in Trengganu and levied a cess on all employers according to the number of their Indian labor. This fund covered the expense of bringing Indian laborers to Malaya, the repatriation of those in distress, the maintenance of a home for decrepit Indian workers, and care for the orphans of Indian laborers who had died in Malaya. Collaboration between the Government of India and the governments of Malaya was assured through officials stationed both in India and in Malaya. The Agent for the Government of India in Malaya had supervisory but no executive powers in the country. *Kangany* recruiting was regulated by a license issued by the Malayan Controller of Labor for a specified district in India and for a maximum of twenty recruits. The *kangany* was paid on a commission basis by his employer in Malaya, who, in turn, was remunerated from the Immigration Fund. The Indian immigrant's passage was paid, his medical examination enforced, and his contract explained to him by his village headman. Nonrecruited workers were such emigrants as applied directly for assisted passages at one of the labor depots set up at Negapatam and Avadi in India.

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Before the depression, non-*kangany*-recruited, or voluntary, workers formed an increasing minority among the Indian emigrants to Malaya. In August 1930 assisted emigration was suspended because of the slump in the tin and rubber industries, and subsequently only a few nonrecruited workers were given assisted passages to Malaya to enable them to join relatives already established there. By May 1934 the situation of the rubber industry had improved sufficiently for the Government of India to agree, under certain conditions, to resume a limited amount of assisted emigration of nonrecruited workers, thereby generally by-passing the services of *kanganies*. The conditions were aimed to prevent excessive emigration and a possible fall in Malaya's wage rates. They provided that in the first year not more than 20,000 adult males would be assisted to emigrate; that within two years from his entry into Malaya the Indian laborer would be entitled to repatriation for reasons of ill-health, unjust treatment, unsuitable work, or the impossibility of finding employment at standard wages; and, finally, that the emigration commissioner in Madras should supply monthly reports on employment conditions in Malaya.

The end of *kangany* recruiting, which this agreement heralded, had begun even before the depression and was attributable directly to the unfavorable economic conditions existing in southern India and to the policy of the Indian Immigration Committee in Malaya, as well as to the comparatively better working conditions existing there.

In order to introduce into Malaya more than the twenty workers they were legally allowed to recruit, the *kanganies* had been bringing in others who were only nominally voluntary workers. By this device—and also spontaneously—voluntary immigration into Malaya had increased. The policy of the Indian Immigration Committee encouraged voluntary immigration by payment of a $2 bonus to each adult volunteer and of $1 to each of his minor dependents. The result was a complete reversal of the situation prevailing in 1920, when only about 12 per cent of the Indian laborers entering Malaya were nonrecruited: by 1938 their proportion reached more than 91 per cent. Yet the restriction schemes for tin and rubber were cutting down Malaya's need for an unlimited labor force, and many of Malaya's plantations had by this time acquired such an attractive reputation in India that *kangany* recruiting was becoming—as had the indenture system before it—a superfluous expense. By recommending its abolition, the Sastri Report of 1936 sounded the death knell of *kangany* recruiting. Thereafter *kanganies* retained their usefulness only for newly established palm-oil plantations and those estates which had not yet built up their own recruiting grounds in India, and for such laborers as were too poor to pay their traveling expenses to the embarkation camps. Beginning in 1934–35, the Government of India imposed quotas on emigration to Malaya without consulting the governments of

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167 that country but leaving to them control of the numbers to be admitted.
In 1938 only 4,580 laborers were assisted to emigrate to Malaya, as com-
464 pared with 54,849 in 1937.

In response to the criticisms of Indian nationalists and to the invitation
466 proffered by the Malayan administration, in 1936 the Government of
India sent an experienced and "liberal" investigator, Srinivasa Sastri, to
563 study the situation of Indian labor in Malaya. On the whole his report confirmed the contention of Malaya's planters that the system which they had evolved was highly satisfactory and that their Indian workers were "happy children in a happy land," generally conscious that they were far better off there than they had been in southern India. In visiting various peninsular estates Sastri recorded that no complaints had been made to him of physical violence or compulsion, and that in only one instance did he find evidence of abusive language directed toward a laboring compatriot. The Labor Department, he said, was able and conscientious and he found estate managers on the whole to be a good sort, Tamil-speaking, and with a genuine concern for the welfare of their labor forces. Freedom of movement for laborers was not only laid down by law but well appreciated by the workers themselves, and it had engendered a healthy spirit of independence in them. Sastri saw no reason at the time for prohibiting Indian emigration to Malaya and he recommended minor reforms in a system which, on the whole, he warmly approved. Among his suggestions were elimination of the *kangany* system; improvement in the quarantine depot at Port Swettenham; a better use of the coolie gardens on estates; more supervision for urban Indian laborers; and finally the restoration of wages to the predepression level.

The planting community was naturally delighted with this testimonial, although a few among them thought that the investigation had been carried out in too short a time to be definitive. The Sastri Mission, it turned out, hardly proved to be the deputation to end all deputations, as its sponsors had hoped. Its soothing effect lasted only a few months, and within two years the situation demanded the return of a Malayan delegation to India. The Indian organizations in Malaya and India were hardly pleased by Sastri's report, which they termed too superficial and too favorable to the *status quo*. Sastri was accused of having gone out of his way to grant a certificate of merit to the Malayan administration and employers, and he was further attacked for not having sought an improved status for Indians politically in Malaya. Of immediate concern were the terms on which he recommended continuance of assisted emigration.

167 From the beginning of 1938 Malaya's Labor Department drastically re-
stricted the number of assisted immigrants from India and granted free
464 passages only to individuals joining their families and to those returning
to employment in Malaya after a holiday at home. As this measure

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proved to be inadequate, a 10 per cent cut in rubber tappers' wages was imposed in the late spring of the year and a second cut was threatened as of August 1, 1938. At the end of 1937 the number of Indian laborers in Malaya totalled 355,343, compared with 290,395 at the beginning of the year. Although the cause of this increase had been the sudden raising of the rubber quota for the country to 90 per cent, and the ensuing unemployment was attributed to its almost immediate reduction, Malayan authorities maintained that even during the brief period of almost maximum production the labor force available had been excessive. Unemployment during the spring of 1938 affected 30 per cent of the estate workers, besides reducing wages for those who retained their jobs. 167 464

On the ground that such conditions were detrimental to the interests of the vast majority of Indian laborers in Malaya, the Central Indian Association of Malaya (CIAM) sent a cable to India which was thought to have been instrumental in the ban subsequently placed on assisted emigration to Malaya. The CIAM contended that a further unchecked flow of labor into Malaya would further depress wages and worsen working conditions for those already there; they felt that its prohibition would influence Malayan planters to improve the status of laborers still in their employ. A second bill was soon passed empowering the Government of India to stop, if it deemed advisable, the flow of voluntary emigration to Malaya.

The CIAM was the self-appointed Malayan spokesman for nationalist opinion in India, which was becoming increasingly interested in its overseas compatriots. The ever-more-aggressive expression of such interest was resented by Malayan planters; they looked upon the whole issue as a purely economic problem, whereas Indian nationalists regarded it primarily as a matter of national prestige and honor. Some extremists in Malaya took the stand that it was none of India's business, despite the fact that for many years it had been admitted to be such by Malaya's own Labor Department, and it was fairly generally recognized that such reforms as had been locally effected were largely instituted at the Government of India's insistence. 563 648

Although emigration was a subject technically reserved for the Central Government of India, in practice the province of Madras had a good deal to say since its population was principally affected and its government at the time was a Congress administration with strong pro-labor sympathies. India's Congress leaders were viewing with increasing alarm the pro-Malay policy of the Malayan governments, fearing that it foreshadowed an even less liberal attitude toward the Indian immigrant. In India complaints were repeatedly voiced that Chinese laborers were replacing Indians on many Malayan estates, and that the repatriation of shiploads of Indians whenever economic conditions were bad in Malaya was a source of embarrassment to the Madras administration and added fuel to 563 648 167

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648 the flame of Indian nationalists' resentment. Newspaper articles were
written in India dramatically describing the repatriates as "sucked-out
167 oranges" and those still in Malaya as a floating population of "tragic or-
[466] phans" forced to accept any menial job they could get. Since even the
permanently settled Indian population in Malaya was treated as semi-alien and as second-class citizens, the Government of India felt that it had every right to retaliate by refusing to let any more of its nationals go to Malaya. It was but natural, and no evidence of disloyalty, that the Indians in Malaya should look to the government of their homeland for protection and for insistence upon rights denied them in the country of their adoption. That they stood in need of such active vigilance was shown by the Malayan governments' imposition of a wage cut solely at their own discretion and by their tactless refusal to postpone enforcement until the matter could be discussed with India. With the increase in voluntary immigration, a surplus labor force had been built up in Malaya which had now rendered almost ineffective the use of the powers of the Government of India, under the act of 1922, as a bargaining weapon.

Although the ban imposed in June 1938 was ostensibly a temporary measure, designed to check the volume of unemployment in Malaya, the advantageous position in which it placed the Government of India was used in its negotiations with the delegates Malaya sent to India in the summer of that year. The latter were primed to discuss only the wage question, but the talks ranged over such contentious issues as citizenship rights for the local-born Indians, their public representation, their right to form unions, proportionate representation for them in the public services, better facilities for Indian education, the inclusion of Indians in the local defense units, and the like.

167 To a certain extent the Malayan delegates recognized that henceforth
Indian immigration should be based on terms mutually agreed upon
467 through bilateral treaties, with control exercised by the homeland, and
that the whole machinery governing its importation required overhauling. The Malayan Labor Department had indeed succeeded in landing the Indian worker in Malaya a free man, without debts which bound him either to the *kangany* or to his employer, and it had prevented the worst abuses in the employer-employee relationship. But Malaya's labor legislation was still too meager and its enforcement generally too negative. Not even the most ardent Indian nationalist could say that his compatriots were brutally treated in Malaya, but they could justly contend that the Indian laborers there were not a self-reliant, coherent, and organized body. The day of paternalism and favors was drawing rapidly to a close, and the next step was the development among the laborers of sufficient strength to present a united stand for their rights.

648 The New Delhi talks ended in a stalemate. The unlikelihood of any
466 imminent increase in the then prevailing 45 per cent rubber quota, and

the existence in Malaya of a labor supply ample to fill the quota, 648 were largely responsible for the intransigent attitude maintained by the Malayan delegates. The new planting permitted under the Third Re- 466 striction Agreement would not come into tapping for a number of years, and by then the children of estate coolies—a numerical potential of from one-half to two-thirds of the current adult force—would have grown up into a permanent, domiciled labor supply. If by some miracle the rubber industry should be permitted to produce to capacity there was always the possibility of importing Javanese labor or of increasing the Chinese quota of immigrants. If, and only if, prosperity returned to the industry, would Malayan planters be inclined of their own accord to make some improvements in working conditions for laborers, but they would certainly not do so if the CIAM and the Government of India held a pistol to their heads. They claimed that those who treated Indian laborers [563] most unfairly were Asiatic employers and that they should be the first required to enforce reforms.

After the failure of the New Delhi talks there ensued in Malaya con- 167 siderable discussion as to the advisability and feasibility of substituting Chinese for Indian labor. The drawbacks to such a move were that Chi- 464 nese workers were more independent and more expensive; they were prone to organize and to strike at the instigation of political agitators; and they balked at such tasks as weeding and tapping. Proponents of the superiority of Chinese workers stated that one Indian was worth only two-thirds of a Chinese in terms of energy and enterprise and that, if the wages for Indian workers were forced up to the same level, the latter group would lose almost every advantage. It took the all-out production of rubber, brought on by the Second World War, for planters in Malaya to admit that their dependence on Indian labor was greater than was the loss of the sixty lakhs of rupees which represented the revenues from emigration that the Government of India had sacrificed when imposing its ban in 1938.

The census of 1931 gives the last available analysis of the composition 162 and occupations of the Indian community in Malaya. At that time the Indian element amounted to 14.2 per cent of Malaya's total population, showing an increase of 32.3 per cent over the past decade and bringing its number to a total of 624,009. Madrassis—Tamils, Telugus, and Malayalees—totalled 582,625 and of these Tamils made up five-sixths of the whole. With the exception of a very small mercantile and clerical class, the Tamil population was migrant and was employed on rubber estates and, to a minor extent, in mining and general labor. Over the preceding decade the Malayalee component had doubled, in contrast to the Telugu element which showed a marked decrease. The sex ratio for both Tamils and Telugus had improved, while that of the Malayalees was the lowest of all—209 females to 1,000 males. Of the northern Indians the

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162 Punjabis were the most numerous (31,000 out of a total north Indian population of 37,989), and they were distributed all over Malaya, chiefly in or near large towns where they were employed as policemen or night watchmen with moneylending activities as a sideline. In rural areas, principally in Perak, the Punjabis went in for stock raising and tin mining.

In 1931 the Indian population as a whole ranked second numerically in Selangor and Singapore, fourth in Pahang and Johore, and in every other region was the third largest element. The dominant position of Indians in Selangor, where they constituted 29 per cent of the population, was due to the development of rubber estates there; in Singapore it was attributable to the numerical strength of the Indian trading class and to the large number of Tamils employed as government laborers. Their fourth place in Pahang and Johore was due to the then slight development of estate rubber and to the relatively large Malay component in the populations of those states.

563 On the eve of the Second World War the number of Indians in Malaya had grown to 744,000, but their ratio to the total population had under-
464 gone little change. The vast majority were still manual laborers, of whom 243,999 were employed on rubber estates—Indians representing 80 per cent of the total labor force employed on European plantations. In addition, more than 8,600 worked in mines, 9,297 labored in factories, and nearly 45,000 were employed by government departments. In general the Indians filled the same positions as the Chinese, but they were less able and less well remunerated. They were preferred to Chinese only in the rubber industry, where they were more docile, especially under the direction of planters and officials who had received their early training in India.

[668] *Chinese.* The exploitation of newly arrived Chinese laborers by their own secret societies in Malaya led to a series of riots which culminated in
563 1872 and resulted in the appointment, eight years later, of the first Protectors of the Chinese in Singapore and Penang.

167 Raffles' Ordinance of 1823 showed an early appreciation of the necessity for some legal protection of this class of immigrant. Prepaid passage money was thereby limited to Straits $20; coolies were to be landed as free persons; the period of service required to pay off their indebtedness was not to exceed two years; and the contract of their employment was to be registered before a magistrate. Unfortunately this Ordinance was ignored. The "pig business," as it was called, became the object of such abuse that anti-foreign riots broke out in the southern Chinese ports where most emigrants embarked, and the Straits Government was finally compelled to take steps to control it.

563 In the debates which were carried on throughout the 1880's, the Ordi-
466 nance of 1823 was treated as non-operative, and the only law apparently
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then enforced was one by which those breaking labor contracts became 563 liable to punishment. Two commissions of inquiry appointed during the period of riot proposed three ordinances, two of which proved abor- 466 tive. The last, in 1880, called for the appointment of Protectors of the Chinese in the two main Straits ports, and subsequently a chain of such 167 agencies was established throughout the peninsula. The standard of protection which they dispensed to the Chinese differed according to the area and to the epoch. In Singapore the Protectorate concentrated upon checking abuses connected with the importation of labor, with improving the immigrants' accommodations on junks and steamers, with restricting to certain ports the landing of coolies who had to be examined medically before disembarkation, and finally with ascertaining that the laborers fully understood the contracts of their employment. Coolie depots in Malaya were licensed and supervised, and care was taken to stop the kidnapping of laborers for work up-country. Most of this legislation was not effectively enforced, but it was important in that it made Chinese immigration a matter of official interest.

The number of Chinese immigrants paying their own passage to Malaya steadily increased, and the presence of so many free workers naturally improved the status of their indentured compatriots. Some far-seeing employers, such as the Penang Sugar Estates and the Tanjong Pagar Dock Company, paid the passage from China not only for their laborers but for the families as well, or they reimbursed the depot concessionaries who had paid their fares. Until contract labor was abolished for the Chinese in 1914, the labor work of the Chinese Protectorate consisted largely of settling disputes about contracts and adjusting complaints in regard to wages concerning both free and indentured laborers. From 1890 on, the Protectorate officials, notably in Perak, under instructions from the government but without legal authority, inspected some estates to see that laborers in remote areas got fair treatment. Health Department officers also visited with fair regularity mines and plantations where Chinese workers were employed. The depression decade witnessed the inauguration of more effective protection for the Chinese along the lines laid down for Indian labor, but both the character and the working habits of the Chinese rendered them less tractable to official paternalism.

Abolition of indentured labor on the eve of the First World War 464 brought about no change in recruiting methods in China. Recruiting agents, who were either the representatives of specific Malayan employers or independent individuals, still paid the passages of coolies and ad- 167 vanced them money, but the Labor Code of Malaya did intervene to the extent of limiting the maximum indebtedness that the recruit could so incur, and his liability for repayment was made a civil one. The increasing interest taken by the Government of China in its overseas nationals

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464 effected a slight improvement in the recruiting methods prevailing in Chinese ports, where agents operated with less violence and misrepre-
167 sentation than previously. According to the annual reports of the Straits Secretary for Chinese Affairs, no cases of assisted Chinese immigration were dealt with after 1927. Thereafter emigration from China, which had always been spontaneous, was totally unassisted.

The state of the tin and rubber industries in Malaya was not so important a factor in stimulating the influx of Chinese labor as were conditions in southern China. Although Chinese immigration grew rapidly with the extension of British control over the peninsula, the enormous demand for Chinese labor began only with the swift expansion of the rubber industry. Until the outbreak of the First World War conditions in both Malaya and China stimulated the movement, but after 1914 the number of unemployed Chinese in Malaya became so great that many were repatriated by the local government and immigration was totally prohibited between August 1914 and April 1915.

The flow of immigration, once stopped, was not easily resumed. The totals for 1916–17, although large, were far below the average for the years preceding the war. In 1918–19 the number of immigrants showed heavy decreases owing to the current rice shortage in Malaya and to the rising price of silver. Since nearly all of the Chinese in Malaya remitted money to the homeland, the wages prevailing in the peninsula lost their attraction for the Chinese when the value of the Straits dollar fell to only a third of that of Hongkong. By 1920 conditions in Malaya were not much better but those in southern China were worse, hence emigration to Malaya picked up again. In 1921 the Chinese in Malaya numbered 1,175,000, compared with 916,619 a decade before.

[468] Throughout the 1920's the increase in coolie traffic became complicated by political upheavals in southern China, where an anti-British boycott occurred in 1926. The following year a clash took place between the Singapore police and some Chinese school children who were parading in commemoration of Sun Yat-sen's death, provoking a Chinese boycott in the Straits capital. In turn this induced the local government to pass the Ordinance of October 10, 1927, which somewhat restricted the immigration of Chinese laborers into Malaya and provided for the deportation of those considered undesirable. Although criticized by the wealthy resident Chinese and by the shipping companies, both of whom preferred strengthening the local police force to restricting immigration, the ordinance was enforced, and in the same year the Thai Government took parallel action. Those two similar and significant pieces of legislation foreshadowed the adoption of a restriction policy (analogous to that adopted by the United States) in the two countries of Southeast Asia where theretofore the Chinese immigrant had been most welcome.

000 The 1931 census revealed the presence of 1,709,000 Chinese throughout

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The 1931 census revealed the presence of 1,709,000 Chinese throughout
British Malaya. In the Straits Settlements, where they were most numer-
ous, the Chinese constituted nearly 60 per cent of the population, but 162
they fell to their lowest proportion in Kelantan, where they accounted 167
for less than 5 per cent of all the inhabitants. Over the preceding decade 563
the Chinese community had increased considerably more than it had during the previous inter-census period, and at the outset of the world depression it constituted 30 per cent of Malaya's total population. For every 100 arrivals there were 80 departures—a striking case of migration and a convincing proof of the constantly changing individual composition of the Chinese element in Malayan society. During the 1930's, conditions in China and the increasing proportion of women among the Chinese immigrants tended to make their community in Malaya a more stable one, yet the Chinese element in the country continued to be predominantly transient in character.

The depression brought about the spontaneous and the assisted repa-
triation of unemployed Chinese. Of the 167,903 Chinese who returned 167
to the homeland in 1930, some 13,000 were destitute persons repatriated by the Secretariat for Chinese Affairs. Since in the same year a total of 242,149 Chinese arrived in the country, the Malayan governments felt it necessary to enforce for the first time the restrictive ordinance of 1928. Consequently a quota was placed on the number of male laborers entering Malaya from Chinese ports (not until 1938 was the immigration of Chinese women restricted), and direct immigration into the peninsula was stopped entirely. The original quota of about 6,000 monthly was apportioned among the various shipping companies. As the depression began to affect radically the demand for labor in Malaya, this quota was progressively cut until it reached the low of 1,000 immigrants monthly in July 1932. The Aliens Ordinance of that year extended government control over the immigration of all adult males other than British subjects.

By 1934 Malaya's adherence to the restriction schemes for tin and rub-
ber effected an increase in the monthly quota of immigrant laborers to the 167
extent of permitting 4,000 entrants. But the character as well as the 464
mobility of the Chinese population in Malaya changed in the years preceding the Second World War. It was primarily the excess of production of Malaya's major industries over world consumption and secondarily the increasing mechanization of tin mining which were fundamental causes checking the flow of Chinese immigration into Malaya. The need for a smaller and more settled labor force to supplement the growing minority of Straits-born Chinese in the country was increasingly felt. Another major factor was the extension of the Japanese war to southern China. In the five years preceding the outbreak of the European phase of the recent war, only about 380,000 Chinese entered Malaya compared with the maximum of 359,262 recorded in the single year of 1927.

The Chinese Sinkehs, or newcomers to Malaya, were divided originally 000

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563 463 The Chinese Sinkehs, or newcomers to Malaya, were divided originally on a linguistic and provincial basis into tribes or clans, having little to do with one another and frequently mutually hostile. All but a negligible fraction came from the provinces of Kwangtung, Fukien, and Kwangsi, and according to the 1931 census were divided then into at least eight racial types. Such distinctions were still reflected in the language, mode of living, and to a large extent in their chosen occupations and distribution throughout Malaya.

The Hokkiens, albeit extensively engaged in agriculture, formed the bulk of the trading and shopkeeping classes and were more than twice as numerous as any other group of Chinese in the Straits Settlements. In the Federated States, however, they were greatly outnumbered by both the Cantonese and Hakkas, who were mainly engaged in mining and agriculture. In Johore the Hokkiens formed a third of the total Chinese population and had the distinction of having the least abnormal sex ratio—620 females to every 1,000 males—of all the Chinese elements in Malaya. This apparently was rooted in their predilection for mercantile and urban pursuits, which provided the amenities of living conducive to a greater immigration of their women, with the result that they achieved a more permanent settlement in the country. The great majority of the Baba class of old Malacca, whose descendants have gone far along the road to assimilation, were originally of Hokkien extraction.

The Cantonese were more catholic in their tastes, occupations, and manner of life than were the Hokkiens. In the Straits Settlements they were predominantly urban, but in the Federated States—although they were strongly represented in the towns—they were more numerous in rural areas, forming a large proportion of both the mining and estate populations. As regards the ratio of the sexes, they came next to the Hokkiens, with 581 females to every 1,000 males. The Hakkas or Kheks were more rural than urban, supplying the bulk of mining laborers. In the Federated States they were slightly less numerous than were the Cantonese, but they constituted less than a fifth of the Straits population. The Tiuchius were far more plentiful in the Straits than elsewhere, except in Kedah, where they were the most strongly represented Chinese group. Since 1921 the Hailams had increased proportionately less than any of the other Chinese tribes, except the Cantonese, and formed 5.7 per cent of the total Chinese population. In the towns they were principally engaged in domestic service; in rural areas they went in for rubber tapping. During the interwar period there was a marked increase in the number of Hailam and Hakka women immigrants.

On the eve of the depression the number of Chinese engaged in professional work was small: in the Straits Settlements, 0.8 per cent, compared with 12.8 per cent for Europeans; in commerce, 18.4 per cent as against 25 per cent. While still complementary rather than competitive, the Chinese were beginning to invade the traditional European pre-

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serves in the upper branches of commerce and finance. Only in the 563
political field and in rice-growing did the British put any obstacles in 463
the way of Chinese expansion. The vast majority among them, however, [464]
continued to form the bulk of Malaya's skilled and unskilled labor. In
1937, almost 52,000 Chinese were employed in mining, or 77.6 per cent of the total number of miners; 75,589 on rubber estates, or 21.3 per cent of the workers so employed; 44,583 in factories (78.8 per cent of the total); and 6,424 in government departments. The majority of Chinese laborers in all fields of enterprise were hired by contractors.

Most of the Chinese miners worked for a daily wage or under contract 465
and a small minority were employed by the tribute system. This latter method entailed, for the advancing of supplies, an initial outlay on the part of a mining speculator, but he limited his liabilities toward his labor force to their housing and feeding. If the mine worked out profitably, the workers were paid on a share basis from the profits, after a deduction or tribute was taken by the financier. Wages might be paid by the day—as yet unstandardized—or by the piece. The Chinese vastly preferred a piecework basis because it put a premium on individual industry; in 1936, 80 per cent of the Chinese employed in the Federated States mines
were so employed. Although a trend toward the direct employment of [464
Chinese labor developed in recent years, the majority of the Chinese
were still hired through contractors who acted as interpreters and intermediaries 445]
for their European employers and who took a percentage of the workers' wages which were distributed by them. In most areas they also received commissions from supplying their coolies with necessities on a credit basis. In the west-coast states, where contractors did not enjoy such a monopoly in the matter of supplies, they took about one-fourth of the coolies' wages as their cut; in the east-coast states the percentage came to about one-tenth.

In the interwar period the outstanding development in the tin industry
was the progressive decline in the number of laborers employed because 316
of the growth in mechanization and the decreasing part played by the 464
Chinese in that industry. In 1907, when Malaya's tin output amounted to only 48,429 tons, the largest number of workers (229,778) was hired; in 1939, a year when Malaya exported more than 82,000 tons of tin, only 72,954 laborers were employed in the Federated States mines, representing an increase of about 20,000 over 1938 but substantially the same number as in 1931. In 1937, when Malaya's mines were producing to
capacity, a labor shortage was felt. The president of the FMS Chamber 505
of Mines attributed it to the high cost of passage from China, which in
the case of those destined for Malaya was not sold directly by the steamship 167
companies to passengers but was purchased from those companies 464
by ticket brokers who resold the tickets to emigrants for as much as they could get. Nominally the fare was $(Chinese)55, yet the actual cost to

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[565] 167 464 a coolie, for the journey from his home in China to Singapore, ranged up to $220, and even higher figures were mentioned. As few coolies possessed this sum—otherwise they would not be coming to Malaya as laborers—the Chamber took the matter up with the government, but nothing apparently materialized from this attempt to regulate fares more equitably.

[464] 466 563 This effort was but another of the abortive attempts made during the interwar period to improve conditions for Chinese emigrants to Malaya. In 1920, during the brief postwar boom, the United Planters Association of Malaya appointed a committee to consider means for increasing the number of Chinese laborers in the country. The committee's report reviewed exhaustively the efforts made since 1910 to place the recruiting of Chinese workers on a more satisfactory basis, and it proposed to establish a General Labor Board to control recruitment of all types of Asiatic labor. This suggestion was not adopted by the government but, as a compromise measure, an advisory committee was appointed to consider a scheme limited to Negri Sembilan, Johore, and Malacca—the areas then principally dependent upon Chinese labor. Nothing came of it, and the government's policy remained simply that of letting the Chinese laborer fend for himself. It was obvious, however, that the day would inevitably come when the government of China would be strong enough to insist on reforms analogous to those imposed by the Government of India for its overseas nationals.

Actually, the government appeared indifferent because the system seemed to work well enough for all practical Malayan purposes. The need for Chinese depots, modeled on those of Madras and Negapatam, was not apparent; no one seriously advocated assisting Chinese immigration; and a standard wage was not wanted by the Chinese themselves because they could earn more on a piecework basis. The government was stirred into devising machinery to handle the strike problem as a whole, and not with sole reference to the Chinese; the Chinese Labor Committee, created by the United Planters Association of Malaya, aimed simply to prevent the country's employers being again caught short of Chinese labor. When, in 1939, the president of the Malayan Collieries made a plea in behalf of a better regulation of Chinese labor in the country, it was the first time in seventeen years that a prominent and large employer of Chinese workers came out boldly with the declaration that what was good for the Tamil was good for the Chinese. But neither the government nor public opinion in Malaya concurred in that view.

167 464 *Javanese.* The possibility of recruiting large numbers of docile and agriculturally-minded Javanese laborers exercised a perennial attraction for Malayan planters as it did for those of Indochina. And the same drawbacks prevented it: the expense of importing Javanese under the conditions laid down by the ever-more-reluctant Netherlands Indies Gov-

ernment. In the case of Malaya the immigration of Indians was easier 167
to arrange, as between two British governments, and was less costly. The
number of indentured Javanese working on two- to three-year contracts 464
dwindled until they amounted to only seven in 1932, when the Netherlands Indies Government finally showed willingness to abrogate the contract system. However, the 1930's witnessed an influx of free Javanese laborers—more than 15,000 in 1937—who were mostly employed on rubber estates. The Javanese were unique in being the only Asiatic immigrants who mingled harmoniously with the indigenous Malays, but from [563]
the employer's viewpoint they had the great drawback of tending to become small landholders as soon as they were economically able to do so.

When the labor shortage became acute in 1941, the Colonial Office acceded to the proposal made by Malayan employers to import more Javanese workers to fill Malaya's huge tin and rubber export quotas. However, the Japanese invasion followed too swiftly upon the adoption of this policy to have permitted it to become effective.

The underdeveloped state of industry in Malaya and the lack of specialization on the part of both individuals and business firms make diffi- 463
cult any clear-cut classification of occupations. A Malay peasant often planted rice, grew rubber and fruit trees on his own land, worked spasmodically on nearby plantations, and did a little fishing and bullock carting on the side. Similarly, a Chinese might run a general store, own a rubber estate, breed pigs, deal in rubber, and operate a billiard parlor. Even European mercantile houses engaged in multiple pursuits, often combining a general import business with an agency for rubber companies and shipping lines. However, occupations in a general fashion [563]
followed racial lines: Europeans were at the top in official, technical, and managerial positions; Chinese were largely either merchants or miners; Indians were in great majority rubber tappers and laborers, only a few being found in commerce and the professions; and the Malays were mostly farmers or fishermen, with a handful occupying government posts in the peninsular states.

According to the latest census (1931) 46 per cent of Malaya's total 162
population was gainfully employed. Agriculture occupied 57 per cent
of the male and 77 per cent of the female working population; mining 463
and manufacture, 13.7 per cent of the males and 6.7 per cent of the females; transport, 7.75 per cent of the males and 0.2 per cent of the females; commerce, 12.3 per cent of the males and 4 per cent of the females; public service, 1.7 per cent of the males and 0.3 per cent of the females; professions, 1.8 per cent of the males, and 1.64 per cent of the females; and personal services, 5.8 per cent of the males and 10.2 per cent of the females. The transient character of Malaya's population was shown by the fact that less than 57 per cent were born in the country.

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The impression conveyed by the 1931 census was of a community where 65 per cent of the population was concerned with the production of foodstuffs and raw materials, while a minority served the majority's needs in the spheres of administration, marketing, transport, supplies, and personal services. The two major producing industries, rubber and tin, although of almost equal importance as contributors to the revenue, varied enormously in the number of persons they directly employed. Somewhat more than 500,000 persons were classified as engaged in rubber cultivation, but as rubber was included with other agricultural industries and was produced spasmodically and as a sideline by many, probably only about a third of the working population of both sexes could be formally regarded as rubber growers. Tin mining employed 79,438, or only 4 per cent of the working population, partly because of increasing mechanization in that industry. The number of persons registered as rice cultivators was 396,110, or 19.5 per cent of those gainfully employed, but in many parts of Malaya paddy planting was combined with other work so that probably only a fifth were engaged in rice farming as a nearly full-time occupation. Likewise the figure of 35,762 persons engaged in cultivating coconuts was misleading, since such activities were mixed with a multitude of others.

Agricultural

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The statistics furnished by the 1931 census leave no doubt as to the predominantly agricultural character of most of Malaya. The extreme case was furnished by Kelantan, where 88 per cent of the male and 81.5 per cent of the female working population were so employed. The ancillary services required by such large agricultural populations were mainly centered in the Federated States and to a lesser extent in other parts of the peninsula. The percentage of male laborers recorded in Johore and Kedah was lower than that of Kelantan, owing to the more advanced economic development achieved by those states and to their greater urbanization. Trengganu's lower percentage, however, was due to other causes: the country was less developed agriculturally, and a larger proportion of its inhabitants were engaged in arts and crafts and petty trade.

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Rice growing was by tradition a Malay preserve, and for political and economic reasons it so remained, although this meant that Malaya had to import annually about half a million tons of rice to feed its population. To begin with, Malaya's soil had not the volcanic richness of Java's and, even with the most scientific methods, probably never would have been able to achieve rice self-sufficiency. The efforts of the Agriculture Department to teach better farming were for some time academic and sporadic, and the influx of abundant and cheap agricultural labor

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placed a premium on traditional farming methods. Moreover, extensive 433 tin mining had effected a silting up of Malaya's rivers, and erosion had ensued. But the most important cause for the shrinkage in Malaya's 243 paddy lands was the greater remuneration for rubber planting and the Malay's indifference to raising rice beyond the satisfaction of his own needs. Most Malays worked their smallholdings by family labor, raised the crops they liked best to eat, and sold whatever surplus they had in the nearest market. The new rice lands opened up by the Irrigation [177] Department failed to attract as many Malays as anticipated because of their conservative desire to farm individually on their own lands and not to participate in communal efforts in unfamiliar surroundings where they were not sufficiently ensured by the government of a proportionate return for their effort. Although rice farming was not remunerative [563] enough to induce large-scale efforts on the part of the Malays, they resented the suggestion, periodically advanced, that the Chinese and Indians be allowed to participate in it. And, although they feared the encroachments of tin companies on their reservations, they frequently slipped through the legal loopholes designed to keep their land heritage from the grasp of alien moneylenders.

Except in Kedah and Kelantan, where Malays were employed by the 464 government and on estates in large numbers, they were negligible as a labor force. No big estates elsewhere depended to any great extent upon Malays, and the total number so employed at any one time was at most 4,000. It seems that the Malays had neither the desire nor the need to [461] be permanently employed. They merely used estates as occasional conveniences, and even then to a very small extent in order to supplement the traditional livelihood they gained from smallholdings. They could not be relied upon to remain on the estates when their services were most urgently required, and those plantations which were either situated near Malay villages or which permitted regular leaves of absence to their Malay employees were the only ones where the indigenous people were engaged for any long period or in considerable numbers. As a rule, the Malays did not care to earn any more money than was sufficient to support them and to provide them with the cash required to supply their immediate needs. But in some parts of Malaya, notably in the western states and in the Kelantan plain, some slight consciousness of money values was growing. Such Malay labor forces as were in existence came under the supervision of the Labor Department.

That part of the transient Indian population which was engaged in 563 rubber tapping was discussed under Immigrant Labor; here only those Indians who settled as farmers in Malaya will be considered. During the depression many Indians refused to accept repatriation, even where wages were unsatisfactory, and it became evident that throughout the western states there existed a considerable resident Indian population

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563 that was rooted in Malaya and had largely lost connection with India. [162] The census of 1931 noted that 21 per cent of the 624,000 Indians then in Malaya were local-born. Most of the Indian population was located on rubber estates, where the sex ratio was 643 females to 1,000 males (as against 355 among other Indians) and the number of children under the age of fifteen who were resident in Malaya was 154,000.

466 311 The Labor Code required every employer to set aside one-sixteenth of an acre of arable or grazing land for each laborer with dependents. During the First World War and the depression immediately following it, some degree of compulsion was used to enforce the ruling that laborers should cultivate food crops, but when the price of rubber subsequently boomed, these gardens were neglected. Employers were reluctant to see newly cleared land used for any purpose other than rubber growing and refused to allow laborers' livestock to feed off young rubber plants, and the laborers found it easier to buy than to raise such additional food as they wanted. Not until the outbreak of the Second World War did the authorities make a belated effort to enforce the cultivation of food crops by rubber tappers in their leisure hours.

427 [426] Probably the domiciled adult Indian population in Malaya did not exceed a third of their total numbers. Little indication of their importance could be derived from statistics of Indian smallholdings, since much of the area was held by chettyars and acquired from their defaulting Malay debtors. On the eve of the Second World War the acreage held by Indians amounted to 35,812 in the Straits Settlements, 168,456 in the Federated States, and 108,534 in the Unfederated States exclusive of Kelantan. [463] Most of the permanent Indian population consisted of the urban mercantile and professional classes and a small percentage of Malaya-born children, whereas the laborers who formed over two-thirds of the total Indian population were frankly transients in the country.

563 427 423 Attempts to settle Indians on the land date back many years and were generally unsuccessful. In 1928 an Indian member of the Federal Council made the first public reference to the desirability of founding land settlements for Indian laborers, and he attributed past failure in this regard to the lack of any guarantee of occupancy rights. An outstanding exception was the Chuah settlement in Negri Sembilan where about seventy families occupied some 250 acres on temporary grants. During the depression a tropical jungle in another region was converted into a thriving settlement by unemployed Tamils. At about the same time an area was created at Sungei Ujong, where the Indian laborers on the local estate were formed into a cooperative society; the Labor Department admitted that this settlement would have prospered better had it been possible to give greater security of tenure. A much older and outstandingly successful settlement was that of Tamils at Bagan Serai, founded about sixty-five years ago under the auspices of the Roman Catholic

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mission. One major reason for its success was the grant to the original 563
settlers of outright ownership of plots of five acres each. The owners 427
tilled their lands, and only when in need of ready cash did they seek 423
work elsewhere and then for only a limited period. Smaller settlements
located at Bukit Asahan, Permatang, Carey Island, and on Ayer Tekah
were of too recent origin and on too small a scale to judge their value.

Even after the imposition of the ban on assisted Indian emigration to [167]
Malaya, the local government showed no inclination to make a policy of
Indian land settlement. The furthest it went was to waive or reduce the
rents payable by estates on land assigned to the use of laborers, and in 427
1932 it ignored a plea made by officials of the Government of India to 563
set up a committee to study the whole question. As was the case with
rice cultivation by non-Malays, the government yielded to the storm of Malay protests against forming a polyglot peasantry in their country. Although the CIAM favored the establishment of Indian land settlements, it believed any such schemes injurious unless accompanied by recognition of Indian equality of political status, since any land granted without fixity of tenure, freehold titles, and subsidies for development would be of little use to the Indians in Malaya.

Only in market gardening were the Chinese important as agricultural 244
laborers. They were the only farmers in Malaya who voluntarily produced crops for sale wherever a market was available and even when the profits therefrom were periodically negligible. Not until the grow-more-food campaign was stimulated by the war did many of the country's towns recognize their dependence upon the industrious Chinese garden-squatter communities.

Only during depression and war periods was the question seriously 243
studied of permitting the Chinese to cultivate rice. As a matter of fact,
it was exclusively at such times of either unemployment or food shortages 464
that the Chinese were interested in so unremunerative an occupation.
Although no official budgets of the rice farmer were ever drawn up, an [434]
official of the Cooperative Department in 1939 estimated that a cultivator
and his family could farm about four acres without hiring additional
labor, and that this would probably net them a gross income of $97.20
for an entire year's arduous work. This did not take into account de-
ductions for quit-rent and water rate. As a solution to the unemploy- 654
ment problem, especially during the recession of 1938, the District Officer
of Kinta was asked to draw up a scheme of land settlement for the job- 563
less, including the possible conversion of mined areas into arable land. (The total number of registered unemployed was then 8,000 and probably many more were unregistered.) This inquiry heralded the government's launching of a large-scale scheme in 1939 to open up Malaya's rice lands to the Chinese. As a result, some of the peninsular states did accede to the scheme in principle, but actually they assigned very small

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654 areas for Chinese settlement. In the flurry of increased wartime employment offered by the major industries, the government was able to with-
563 draw from the whole project fairly gracefully in the face of the indignation it had aroused among Malays.

167 The main inducement to permanent residence in Malaya, on the part of all Asiatic immigrants, was the higher standard of living there com-
466 pared with that in the countries of their origin. The attractions offered estate laborers in Malaya in recent years consisted of cottage-type housing; differential recruiting allowances in favor of married couples; the payment of a dollar bonus for each child brought along by nonrecruited immigrants; the presence of women traveling inspectors on immigrant steamers; the provision of nurseries, crèches, and schools on estates; the allotment of land to estate laborers for cultivation purposes; and the opportunity for the women and children of laborers to earn supplementary wages. Further, the transportation of a family absorbed the lifetime savings of those coolies not entitled to repatriation, and once back in India their children who had been brought up in Malaya were found to have developed no immunity to the diseases prevalent there.
[563] However, conditions favorable to the settlement of families in Malaya were offset by the tendency of the unrestricted flow of immigration regularly to depress wages and by the government's chariness about granting citizenship rights to immigrant Asiatics.

474 The cooperative movement enjoyed a real though limited success in Malaya; it was least effective among the strictly rural communities. On
452 the eve of the Second World War only about 2,000 peasants belonged to it. Its growth had been most marked in urban areas. The movement began in 1922 with formation of the first urban credit association. It was motivated by the government's desire to encourage thrift and to supply credit at moderate rates. A department was set up to advise on all types of cooperatives. No funds were granted by the cautious government and the cooperatives were endowed with only a few modest fiscal privileges. Some additional encouragement was given them by the Straits Settlements authorities in 1933, when it was announced that thereafter no civil servant would be allowed to sign a promissory note except to the government or to a cooperative association.

474 Credit associations became the predominant type, forming 88 per cent
452 of the total number in 1938 and comprising 92 per cent of the entire
454 membership. Other societies were composed fairly exclusively of Indians, for purposes of thrift, and the "better living" associations were formed to induce members to forego such unnecessary expenditures as were usually incurred for weddings, funerals, etc. Before the advent of cooperatives, Indian laborers were accustomed to investing their money in usurious transactions, in jewelry, or in livestock. Another common method of investment was in kutus, analogous to the tintine in Indo-

Indians
Chinese

china, but this was frowned upon by employers and by the Labor Department 454
as savoring too much of gambling. Actually such forms of 474
investment were decreasing in favor of membership in the officially sponsored
cooperatives. In the ten-year period of 1928–38, the number of all 452
cooperative societies rose from 144 to 579; total membership increased
nearly fivefold to reach 103,102 on the eve of the Second World War,
but over the same period the average capital per member had declined
from $99 to $88. The movement was regarded as being successfully
launched, but it was too small in scope to make much headway in a
country ridden by periodical booms. Apparently no effort was made to
adapt it to meet Muslim prejudices against the charging of interest rates,
and it seems to have been no factor in keeping their lands in Malay
hands.

Industrial

Tin smelting was the only large-scale industry in Malaya, although 328
there were several small processing industries using as raw materials local
or imported agricultural products. These included the manufacture of 433
sago, tapioca, pineapples, timber, and oils. In addition, many governmental
or semi-official organizations, such as the Harbor Board, Railroad
Department, and Public Works Department, had large manufacturing
plants. Most of the factories were concentrated in the Straits Settlements
and consisted largely of small Chinese-owned and manned establishments.
Although Malaya could offer fine sites, a fair labor force, good communications, [654]
and a stable government, these advantages were insufficient
to overcome the handicaps of a small local market, Japanese competition,
and an official policy that generally discouraged local industrialization.
The recent war stimulated two existing industries—tin smelting and 313
lumber milling—and in shipbuilding created a third promising industry.
Perhaps most important of all, it revealed the impracticability of trying 39
to industrialize the country on a much larger scale.

While a fair number of Indians were employed in such industries as 464
existed, the bulk of Malaya's skilled labor force was furnished by the
Chinese, who proved themselves to be admirable workmen in wood and
metals. An apprenticeship system and a few technical schools existed [401]
for a small number of students in the main towns, and these facilities
were somewhat expanded to meet the increased need for a larger local 874
supply of skilled laborers on the part of the military establishment.
Wages for factory work were almost twice as high as those prevailing on [465]
plantations, but the industrial worker enjoyed less legislative protection
and fewer amenities than did the rubber tapper. Sastri in his report of 466
1936 suggested that "the interests of urban workers do not receive from
the Labor Department the same care and attention as those of estate

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466 laborers." The much slighter importance of industry as compared with rubber growing and tin mining was undoubtedly responsible for this. Moreover, the division of inspection into Chinese and Indian departments, although justifiable on linguistic and other grounds, was apt to cause complications when Indians and Chinese were employed in the same undertaking.

Factories and workshops were regulated by a series of ordinances, beginning in 1923, which enabled a number of ILO conventions to be put into effect. Legislation concerning the following conventions was adopted: Night Work (women and young persons); Minimum Age (industry, trimmers and stokers); Unemployment Indemnity (shipwreck); Workmen's Compensation (agriculture, occupational diseases); Medical Examination of Young Persons (sea); Equality of Treatment (accident compensation); Minimum-Wage-Fixing Machinery; and Forced Labor.

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464 At the beginning of 1937 there were in all Malaya only 825 factories, of which 728 were located in the Straits Settlements. In these establishments about 7,000 Indians, 38,000 Chinese, 1,000 Javanese, and 300 Malays were employed.

Clerical and Mercantile

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463 As recently as 1938 Malaya's clerks were called the most inarticulate body of workers in the world.[1] Their pathetic status was variously attributed to a lack of efficient organization and leadership and to the resigned apathy of the mass of clerks, who were only too conscious of the superfluity of their numbers. No representative group among them ever rose to tackle their problems seriously or to bring them to the notice of either the public or the government. Such organizations as existed seemed to confine their activities to the sporting sphere and were apparently unwilling to venture into controversial fields. The Clerical Union, founded in 1920, had no employment bureau, no organized evening classes, no propaganda, and no social or mutual-help committees.

Singapore's 10,000 clerks wanted to keep their jobs and felt that the best way to do so was to work uncomplainingly and docilely. They were under no illusions as to their indispensability, knowing how many unemployed men were ready to snap up the lowest-paid clerical position. Malaya's schools were annually producing from 700 to 800 boys with Senior Cambridge Certificates, and though in recent years there was a wider recognition of the need to reorient the school system, such a change was not going to be effected overnight. If Malaya's clerks had felt able to fight for their rights they would have demanded a minimum living wage and a provident fund upon which to retire. But their sole organ-

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[1] See quotation from the *Malaya Catholic Leader* in the *Straits Times* of September 20, 1938.

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Chinese

ization, the Clerical Union, did not enjoy independent leadership, being 467
financially connected with the employer group, and its membership comprised only 1,547 clerks. If the Union had staged a strike, the employers 463
could easily have dispensed with the services of all its members.

Chinese. In 1931 a comparatively small proportion of the Chinese 466
(5 to 7 per cent) were employed as clerks and as shop assistants. The investigation made into working conditions in Chinese stores by the *Straits Times* in 1938 revealed that a 17-hour working day was common practice, and that a 12- to 14-hour day was only for the more fortunate few. Factory girls worked 10 hours daily, and there were very few Chinese shops in Singapore operating on an 8-hour day.

The Straits Settlements Singapore Association pioneered a drive for legislative improvement in this field of labor. It was so bold as to advocate a weekly half-holiday and shorter daily working hours. Before it requested the government to introduce such legislation, the Association [441]
tried to enlist the support of employer groups: among those it approached, it found the Chinese Chamber of Commerce the most recalcitrant. Yet the conditions that the Association was seeking to ameliorate prevailed in the businesses conducted by many Chinese employers who were not members of the Chamber and who ran their firms on a system which differed greatly from that adopted by Europeans and by the larger Asiatic firms, which generally held to an 8-hour day. Among the smaller enterprises, it was found that coffee shops and sundry-goods stores kept the longest hours, from 6 A.M. to 11 P.M., for which the pay ranged from Straits $8 to $25 a month. Both employers and employees lived on the premises so that the shop could be kept open during their collective waking hours.

The enthusiasm which inspired the Association's campaign died in the course of a few months. Although in Singapore thirty-six Chinese traders voluntarily introduced such long overdue—but to them highly radical—reforms as the Association advocated, there remained others who argued against them on the flimsiest of pretexts. By January 1939 it was estimated that half of the Chinese shops in Singapore had closed for a weekly half-holiday; those which remained open claimed that it was a public benefaction since they catered to the poorer classes. Aside from the grave injustice done to individual employees, the prevailing long hours intensified the unemployment problem by making two men do the work of three. Obstinate employers were warned that their recalcitrance might bring down on them that worst of all evils to Singaporeans—official interference.

Since the depression Singapore's Chinese clerks had been drawing as 465
salary from Straits $10 a month upwards—barely a living wage and obviously the principal cause of their widespread indebtedness. Comparatively better off were the clerks in government service, who had special

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465 credit facilities and whose initial salary of $55 rose by annual increments of $5 to $95 maximum. If they were promoted to higher grades, government clerks might earn from $100 to $160 a month. Employers stoutly maintained that a starting salary of $20 monthly was not unfair even for boys with school and commercial certificates, the value of which they regarded as approximately zero. Few business executives realized how dependent they were upon their lowly clerks for the smooth functioning of their offices.

466 563 One very long-standing clerical grievance concerned the disparity in treatment accorded to European and to Asiatic employees, which focussed upon the issue of bonuses and provident funds. When a bill was introduced into the Federal Council in 1936 to provide such a fund for railroad employees, it was vigorously opposed by the Chinese member on the ground that European subordinates received pensions upon retirement without having been required to contribute to any such fund. Inequality of treatment certainly prevailed in such of the commercial firms as paid bonuses. In prosperous times European employees received twice as much as did Asiatics; after the depression, whenever the Europeans received gratuities, the Asiatic staff was completely ignored.

In a courageous speech delivered before Singapore's Rotary Club in December 1938, G. H. Kiat spoke for the city's "forgotten" community of docile clerks. Deprecating the habit of many Singapore firms of dismissing aging employees to replace them by younger men at lower wages, he advocated annual paid vacations and a provident fund that would give clerks a protection analogous to that furnished by the government to manual laborers. He prophesied that if another economic blizzard struck Malaya there would be an exact repetition of the tragic scenes enacted in 1931–32, when hundreds of clerks were thrown on the streets with nothing more than a month's pay in their pockets—if that. The lesson taught by the depression was apparently unlearned, for up to the time when Malaya was invaded provident funds for Asiatic employees were still the exception, not the rule. The vast majority of Singapore firms gave their employees no paid vacations other than the public holidays, which annually numbered about six.

467 *Indians.* In contrast to the inchoate and government-shepherded Indian rubber coolies, estate clerks actually possessed their own skeleton organization in the All-Malayan Estate Asiatic Staffs Association, founded in 1935. Theoretically, this organization existed to better conditions for all its members and to serve as liaison between employers and employees, but it could hardly have effectively served such purposes, for it was decidedly neither a benevolent society, an employment bureau, nor a relief agency for its necessitous members. At its inaugural session a dispute ensued as to whether or not it could be called a trade union. One realistic member suggested that the question was quite academic since

the association was unlikely to get anywhere no matter by what name it was called. 467

The one positive reform which the Estates Association struggled manfully but futilely to effect was the creation of a central provident fund. [466] The powerful UPAM (United Planters Association of Malaya) definitely opposed, although without adequate explanation, the formation of such a fund. Arguments in favor of establishing a provident fund for planters mysteriously lost their validity when applied to a subordinate group of Asiatic employees, despite the fact that the latter were in positions of responsibility and should have been given every inducement to remain honest. A few enlightened companies had provided such funds for their own employees, but the majority of Indian estate clerks remained without such prospects and such protection. The Estates Association took hardly a militant stand on the question, and its meetings were reportedly given over to the discussion of personal humiliations, such as being addressed as "krani" or clerk, or as being the target for a volley of managerial oaths.

Although he enjoyed more amenities than his urban counterpart in 466 such matters as free housing, water supply, fuel, etc., the estate clerk was often ground down between the upper millstone, in the form of the 464 European planter, and the nether millstone of the labor force. His life 563 was monotonous and his only holiday 48 hours at Deepavali; only on the few estates where more than one clerk was employed could alternate week-end leaves be arranged. The clerks resented their employers' opposition to a central provident fund and to regular paid holidays, which they thought should be their right and not a question of paternalism. The fundamental difficulty with the estate clerk's position, as with other clerical employment, was the superabundance of candidates. The constant influx of immigrants into Malaya always made it possible for the planters to have a wide range of choice among those willing to offer maximum labor for a minimum salary. Immigrants from India, skilled as well as unskilled, tended to congregate on the estates, since most of the positions in government service and in commercial houses were monopolized largely by the local-born. The estate clerks represented a somewhat more stable element than did the laborers, as most of them had brought their families to Malaya. Only in very recent years and in a feeble way had they begun to ask for official protection through a restriction on the immigration of skilled laborers and in the establishment of a central provident fund.

The *Straits Times* reporters who investigated working conditions 466 among the Indian as well as the Chinese mercantile community in 1938 found a marked difference in the status of northern and southern Indians in Singapore. The northern group comprised immigrants from Sindh, Gujerat and the United Provinces, whereas the southern element was made up exclusively of Tamils and Muslims. The more fashionable shops were run by northern Indians, but the majority were owned by the Indians from the south. The former recruited their labor from India on the basis of an agreement whereby assistants were required to work in Singapore for two to three years, and their passage, board and lodging were paid for by the employer. But the quarters provided by the employer—ones which the employee was bound to accept—were usually located on the floor above the shop and consisted of a small, ill-ventilated room situated under the watchful eye of the employer. Working hours were generally from 8 A.M. to 9 P.M. with a half-holiday on Sundays and only one full holiday at Deepavali. Two hours were allotted for lunch and tea but dinner could be eaten only after the shop was closed. Wages were scheduled on a rupee basis. Sindhi merchants paid a minimum salary of 30 rupees monthly, with annual increments ranging from 5 to 10 rupees, and also supplied food and lodging. But half of that salary was sent to the employee's family in India and the remainder credited to the employee's account. No actual money was paid to the employee, in addition to the advance given him before leaving India, unless a specific agreement to that effect had been made in the contract.

Stringent as were such working conditions they were generally far better than those prevailing for southern Indians. The latter not uncommonly had to work from 6 A.M. to 11 P.M., with only three half-hour breaks for food. Most of the Muslim and Tamil employers recruited their Indian assistants locally; nevertheless they, too, forwarded half the salary earned to the employee's family in India. Employers uniformly claimed that they and their assistants were one big, happy family, mutually concerned for each other's moral and physical welfare. They blandly asserted that their assistants loved long hours, disliked holidays, and did not know what to do with what leisure time they had. Their assistants, however, told the investigating reporters another tale. They complained of crowded living accommodations, which also served as dining rooms, of poor food, of a 15-hour working day, of inadequate wages ranging from Straits $7 to $35 irregularly paid, and of punishments meted out to them on the slightest pretext. Their employers took charge of computing salaries and refused to render them any accounting; having no means of redress the employees had to accept all the fines and items marked "personal expenditures" which were chalked up against them. Their chief grievance, however, was the lack of privacy and of leisure time.

The publicity resulting from the *Straits Times'* investigation had the merit of effecting some improvement in Indian shop assistants' working conditions. The South Indians Chamber of Commerce reconsidered its original stand and came out in favor of a reduction of working hours and of granting a half day of rest on Sundays. Slight as this concession was, it met with the active opposition of an important section of the Indian mercantile community. 466

3

WORKING CONDITIONS

Wages

WAGE TRENDS in Malaya were related to the amount of tin and rubber the country was allowed to export and to the prices paid for them in world markets. To a certain degree, however, the impact of such forces was mitigated by the establishment of standard wage rates for Indian laborers in certain key districts, and these rates affected adjacent areas and other nationalities of workers. Theoretically this standard wage took into consideration the factors of accessibility, health conditions, local living costs, savings, and a trip to India every three years. The governments of Malaya consistently refused the plea made by Indian nationalists to establish a minimum wage for the whole country, on the ground that inaccessible or undeveloped estates had to pay higher wages in order to attract labor and that wages followed a course generally parallel to that of living costs. That the latter was not always the case was shown by the strikes throughout the 1930's, which were caused by the fact that cuts followed swiftly upon reductions of export quotas but were not as promptly restored when prosperity returned to the country's major industries. The wage reduction effected in 1930 was not generally restored until April 1937 and then only temporarily. In justification of its policy the government underscored the law which entitled Indian workers who were unable to find work at the standard wage to repatriation—which was the recourse for about 190,000 laborers during the depression. In any case, the absence of official cost-of-living and wage indexes prevented any exact appraisal of real wages. The fact that living conditions for workers in Malaya were sufficiently better than those prevailing in India and China to attract a large yearly influx of laborers was regarded by the authorities in Malaya as adequate proof that the wages paid in the country needed no adjustment in the direction of increase or uniformity. 465

Most of the estate laborers were Indians working for daily hire, except for a minority employed on oil-palm and tea plantations who worked on a piece basis. The wages paid to estate laborers were higher than those for men employed on smallholdings, and they were almost always

Indians
Chinese

465 paid directly to laborers by their employers. Daily wages of 35 to 60 (Straits) cents were representative of the prewar level for unskilled work-
464 ers on Malayan estates. The wages received by Javanese and Malays were generally the same as for Indians. The Chinese, who preferred working on a piecework basis, earned higher sums, averaging 20 per cent more than other laborers in 1938. However, thanks to the prevalence of the contractor system for Chinese labor, the sums earned by workers of that nationality were reduced by commissions paid to such intermediaries. In sparsely settled areas the contractor retained 10 per cent of his workers' wages and in addition received cuts on food and other necessities which perforce they had to buy from him. In the west-coast states such monopolies were not feasible, so there his commission on wages came to about 25 per cent. In mining undertakings the contractors who provided coolie gangs received, in 1936, about Straits $7 for each cubic foot of ground cut and carried away. The great majority of Chinese mining coolies (80 per cent in 1937) were, however, engaged on a piecework basis, and only a small minority according to the tribute system. In the latter case free housing and food were supplied to the laborers by the mine-owner, but the profits they received depended upon how successfully the mine worked out and how large a tribute was taken by the speculator who had advanced the initial capital. In all other types of mining enterprises no accommodations (or medical care) were furnished to laborers, and the lack of such amenities was partly the cause of the higher wages paid for this type of work. No wage-fixing machinery existed for laborers in mines. Wage disputes involving Chinese workers were referred to the Controller of Labor, whose decision was final.

While tin miners received sums substantially higher than those paid to estate laborers, workers in Malaya's few industrial establishments earned still larger wages. In 1938 the daily sums earned by skilled male factory workers ranged from 80 cents to $1.20, and in remote areas and in certain undertakings the daily wage might amount to as much as $3. The Chinese supplied the bulk of the skilled labor employed, and the fewer Indians engaged in such work performed tasks requiring less skill
465 and were accordingly less well remunerated. Unskilled employees in government departments received approximately the same wages as estate
466 laborers, or higher, and wherever the latter was the case, plantation coolies tended to drift into such employment. The provision of free housing and of treatment in government hospitals, as well as the prospect of fairly permanent employment, were additional inducements cited as attractions offered to laborers in government employ. However, the complaints received from such workers by the Agent for the Government of India threw light on some of the unfavorable aspects of their employment. They complained of being arbitrarily fined for trivial causes and contrary to the provisions laid down by the Labor Code; they resented

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being made responsible for proving that they had given continuous service over a minimum ten-year period in order to become eligible for gratuities; they experienced insecurity of tenure as a result of the government's practice of dispensing with an employee's services simply by serving him with a month's notice and without having to prove him to have been in any way blameworthy; and they asserted that dismissal orders should not be based exclusively on *ex parte* investigations. 465 466

Fundamentally, the wages established for the rubber industry set the scale for all types of labor, and the fairly regular excess of supply over demand, through the influx of cheap coolie labor from India and China, tended constantly to depress wages and to make all Malayan employers normally able to resist demands for wage increases.

Hours

Working hours, like wages, varied according to the nationality of the laborer and the type of employment. Where the Labor Code applied, working hours were limited to nine and overtime was paid at double hourly rates. By law no individual was bound to work more than six days a week but no statutory provision was made for a weekly holiday, owing partly to the variety of religions prevailing in the country. 466

The hours actually and regularly worked by laborers in Malaya's different industries were hard to gauge. Sastri reported in 1936 that on estates employing Indian labor, "the nominal day's work of nine hours in practice was reduced to eight and was finished by 2 P.M.; any work done thereafter was in the main voluntary, and invariably paid for as overtime." Harold Butler of the ILO, traveling in Malaya in 1937–38, confirmed the existence of a nine-hour day and the double rates paid for overtime work. "Though mines, plantations, and factories, except Government establishments, usually work seven days a week, the average worker often does not average more than five days' work per week, if account is taken of the numerous religious feasts and holidays. Such opinion as exists in favor of a regular weekly rest-day is probably to be found among the employers rather than the workers." Lennox Mills reported that the working day in mines was usually eight hours, with extra payment for overtime, but as most of the miners were Chinese who, in great majority, were on a piecework basis, the hours of work they put in were a matter of individual industry and probably exceeded eight. Likewise the Chinese rubber tappers, who were paid by the weight of latex collected, undoubtedly labored beyond the nine-hour maximum.

The *Straits Times* investigation of mercantile and clerical workers employed by Chinese and Indians in 1938 stressed the tremendously long working hours required of them and the few holidays that they enjoyed. Assistants in north Indian shops worked from 8 A.M. to 9 P.M., enjoyed

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466 a half day's rest on Sundays, and only one full holiday in the year. South Indian shop assistants not infrequently worked from 6 A.M. to 11 P.M. and had no weekly rest day. In Chinese stores it was found that a seventeen-hour working day was common practice; that women employees in Chinese factories labored for ten hours a day; and that very rare were the Chinese undertakings, either large or small, which operated on an eight-hour day. Pressure brought to bear upon such employers revealed their great recalcitrance to any reduction in working hours or increase in holidays.

Although such varying conditions as prevailed in Malaya make generalizations more than usually inaccurate, it may be said with reasonable safety that European enterprises and a few of their larger Asiatic colleagues probably followed the statutory eight- to nine-hour day and that government departments were the only ones which assured their workers one day's rest in seven. The smaller Asiatic employers and Chinese laborers worked as long as they could.

Housing

[167] For employers, two factors simplified the problem of housing their workers: first, Chinese workers generally lived off the estates and, second, there was an absence of high-caste Indians among the immigrants.

466 Although the inspection of housing conditions for Chinese workers constituted part of the duties of the staff of the Labor Department, the regulations laid down by the Labor Code concerned primarily the accommodation of Indian estate laborers. The Department encouraged replacement of the old coolie lines (barracks-like structures) as no longer as suitable as in the days when few families accompanied immigrant Indians and when the danger of malaria made it imperative to concentrate the labor force while the estate was being opened up. It was found that one of the best means of encouraging family immigration was to provide laborers with cottages. Approval by the Labor and Health Departments was required before new lines could be built, but apart from certain minimum requirements in regard to floor space no fixed standards were imposed and employers were encouraged to submit their own housing plans. The type of accommodation officially blessed consisted of a room not smaller than twelve by ten feet to accommodate a small family or three bachelors, with a front open verandah and with a back verandah, partially enclosed, where laborers could cook and dry their clothes. This type of cottage was built either semidetached style or in small rows and proved to be very popular. Another type which was being tried experimentally in the late 1930's was similar but consisted of a room not less than sixteen by ten feet divided by a partition into two parts.

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The housing situation in the Straits ports resembled that of Rangoon. 466
An effort was being made to eliminate the worst tenements and to replace 362
them by more sanitary buildings at cheap rentals. Good work had been done, but the snail's pace at which it moved prevented any considerable alleviation of a very bad housing situation, especially for the rapidly growing population in Singapore.

Health and Safety Regulations

Regulations designed to safeguard the health of Indian estate workers 466
were rather minutely prescribed and well enforced. Pre-embarkation medical examinations were required to be made of all Indian laborers bound for Malaya, and employers in that country had to provide sanitary housing, a pure water supply, and a well-equipped hospital or dispensary, and to take specified anti-malarial measures.

Among the bouquets Mr. Sastri handed to Malaya's employers of Indian labor was one for the maintenance of excellent hospitals by the larger estates, and another for the custom prevailing in government departments of giving their Indian laborers a sickness benefit of one month's full pay while hospitalized. But he reproached some of the smaller estate-owners for maintaining insufficiently qualified dressers and for saddling them with other than medical duties. Sastri suggested that some technical improvements be made in the quarantine depot at Port Swettenham, but he gave the depots at Penang and Singapore his blessing.

The CIAM was far from being so benevolent. It claimed that the official health measures sounded well enough on paper but that scepticism 743
was justified if one recalled the breakdown in some of the schemes launched by the Federated States Health Board. The CIAM concurred in castigating the small estates as the worst offenders, and believed that the periodical visits made by official inspectors effected only a transient jacking-up of their standards. While all were agreed that the managers of large estates had made great improvements in the health standards prevailing on their plantations, the bald fact remained that there was a decline in the number of estate hospitals, from 232 in 1937 to 211 in 1938, and in the number of medical practitioners in charge of them, from 27 to 22. Although the decrease in the number of hospitals might have been the result of merging several small units into a larger institution, the same explanation was hardly valid for the reduction made in the number of practitioners. When the Medical Department announced that government hospitals were not necessarily available for use by estate laborers, the *Straits Times* stated that the problem of providing adequate medical care, especially on estates not served by any group system of hospitals, was still awaiting a solution.[2]

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[2] *Straits Times*, November 25, 1939.

466 744 The greatest improvement made was certainly that registered in the realm of malaria control. In 1910, when the death toll from that malady reached the devastating proportion among coolies of 62.9 per 1,000, the Federated States Government led the way by creating a separate unit of its Medical Department to watch over the health of estate laborers. Much of the research which led to malaria-control measures was financed by Malaya's rubber and tin companies. So successful was this work that the death rate among all Indians in the Federated States came to only 7.11 per 1,000 in 1937. Managers, who in earlier years had resented Health Officers as unwarranted intruders, learned to appreciate their efforts because of the economy effected through the improved health of their labor forces. Twice yearly the Medical Officers visited estates, but their inspection of mines was less frequent.

466 276 The effect upon laborers' health of the toddy consumed on estates was never studied from the medical angle; it was viewed largely from the desirability or otherwise of maintaining toddy shops on plantations. In recent years the government took over the licensing and control of these shops, which, however, were run by estate managers. The state's treasury realized a neat 200 per cent profit on toddy sales—its price policy being based on the theory that it should be sufficiently high to deter the laborer from excessive indulgence but not so high that he would substitute the illicitly distilled and more deleterious *samsu* manufactured by the enterprising Chinese. Estates likewise realized a profit from toddy sales but these were paid into a welfare fund used for its labor force. Sastri recommended that the government cease the manufacture and sale of toddy in certain areas and eventually suppress it wholly for estate laborers. Indian nationalists generally took the stand that toddy was a drain on the laborer's wages (about a tenth of his daily earnings) and also on his health and morale. Planters usually insisted that closing down shops would simply encourage the mushroom growth of illicit *samsu* distilling. The Indian Agent's report for 1939 was a model of impartiality between these divergent views. He did suggest, however, that toddy shops be closed progressively and the hours for sales be shortened as a half-way measure on the road toward eventual total prohibition.

466 In respect to the more solid features of the estate laborer's diet, some but not much progress was registered. Estates were required by law to provide each laborer who applied with a plot covering one-sixteenth of an acre, on which he could raise such foodstuffs as he desired. This law was seriously enforced only during the First World War and the depression periods. The laborers themselves were fairly indifferent. When they could afford to buy additional food they found farming too much trouble; they felt themselves to be transients on estates, and usually they utilized their garden plots only if they were handy to their living quarters. Some employers were alive to the importance of improving their

laborers' diets; some took care to furnish hand-milled rice and to provide free and nourishing meals to the workers' children. But too many among them, complained the *Straits Times,* still thought that their responsibilities toward their labor force were ended when they had paid their wage bill.[3]

Free medical care was not dispensed to mine laborers, although the health conditions prevailing among mines were the object of official solicitude. Miners, as well as state and industrial workers, were entitled to compensation for injuries received during the course of their employment. The Workmen's Compensation Law of 1932 covered laborers (and their dependents) who earned not more than $200 a month and who received injuries resulting in death or disablement for a period exceeding seven days, or who contracted occupational diseases. Employers were liable for payment of the benefit. Death benefits for an adult worker amounted to a sum equal to thirty months' wages, or $1,800; for a minor the sum was $200. If an adult sustained total permanent disablement the sum paid him was equal to forty-two months' wages, or $2,400. Injuries for which other compensation might be obtained were carefully gauged: loss of an arm, for example, was compensated according to whether it was amputated at or above the elbow, which counted as a 70 per cent reduction in earning capacity; the loss of any finger other than the index was reckoned at a 5 per cent decrease. Temporary disablement was compensated for a period not exceeding five years; semimonthly benefit for an adult was $10 or a sum equal to a quarter of his monthly wage. Minors received money equal to a fifth of the monthly wage. No other system of social insurance was in effect.

Both Malaya's Controller of Labor and Mr. Harold Butler of the ILO, who toured the country in 1937–38, were assured by a number of large employers that the Workmen's Compensation Act had produced excellent results and had no tendency to encourage malingering. Administration of the act was in the hands of commissioners to whom workers could and did apply directly for advice or for the settlement of their disputes without going through legal formalities. Nevertheless, the ILO representative felt that more should be done in Malaya to enforce safety regulations. In most of the factories he visited, the machinery and belts were unfenced, safety posters were entirely lacking, and few or no facilities existed for dealing with accidents. He added, however, that the "existing Labor Code has succeeded in preventing serious abuses and is now under revision with a view to the promulgation of a Factory Ordinance which will permit a higher standard of health and safety in factories." Apparently no such ordinance was passed before the country was invaded by Japan.

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[3] *Straits Times,* January 10, 1939.

Unemployment

[458] 464 The economic depression of the early 1930's caused widespread unemployment among both Europeans and Asiatics. Reduction of their European staffs by rubber companies, and to a smaller extent by tin mines, created a serious problem among those two groups of the Occidental community. The majority of those discharged left Malaya, and the remainder were cared for largely by a committee formed in Kuala Lumpur, with six branches located in other Malayan centers. The aim of this organization was to retain in the country young planters whose services would be valuable as soon as the major industries recovered. Most of the planters still employed suffered salary cuts of 15 to 25 per cent, and no bonuses were distributed as had happened in prosperous years. A simultaneous decline in the cost of living helped Europeans to weather the storm, though living costs for Asiatics fell far more sharply.

464 167 Repatriation helped to solve the unemployment problem for alien Asiatic laborers. Those refusing repatriation were willing to work for wages often reduced to a point below living costs, eking out a living as best they could by means of side activities. With the return of relative prosperity in 1934, the stream of Indian emigration to Malaya was resumed. And in 1937 the suddenly increased export quotas for the rubber and tin industries brought thousands of additional Indian and Chinese laborers to Malaya. This sudden and large demand created a temporary labor shortage, but the government was too wary to be stampeded into opening the floodgates. Its caution in this instance mitigated the unemployment subsequently induced by the recession in 1938 which, by halving Malaya's export quotas, left many estates and mines with a surplus labor supply.
[439] A further aggravation of the unemployment problem was the practice among smallholders of selling their export rubber coupons whenever tap-
[746] ping became unprofitable. The buffer pool scheme, engineered by the tin restrictionists, somewhat alleviated the situation for Malaya's miners but it was the Federated States' relief program which made a more important contribution. It also marked a radical departure in the government's labor policy.

464 746 From the standpoint of human misery the situation of laborers in 1938 was not comparable to that prevailing in either 1921 or 1931, but the solutions tried in those times were no longer practicable. The philanthropic Chinese who had built camps for their jobless compatriots in the postwar depression had been disillusioned by the restlessness and discontent of the laborers found willing to stay in them, and too often those who did not remain embarked on careers of theft and violence. Wholesale repatriation through government agency was no longer feasible because of political repercussions in India and because of the Japanese war

in China. Moreover, memories of 1934, when Malaya had been caught 464
short of labor by a sudden return to better market conditions, made both 746
planters and mine-owners anxious to maintain their payrolls and to try
spreading work around as best they could. The government dared not [563]
launch extensive land-settlement schemes because of the Malay's opposition to permitting alien Asiatics to infringe on their monopoly of rice culture. The Federated States initiated a public-works program, as the
only solution thus far untried, but unfortunately it failed to absorb even [653]
all of those registered as unemployed. Public opinion in Malaya was not yet prepared for a further departure from the country's *laissez-faire* traditions, preferring recourse to the time-honored device of wage-cuts. If the authorities in the Federated States had been gifted with prescience, they would have foreseen from this policy far direr consequences for the rubber industry than the losses that would have ensued from a more comprehensive official relief scheme—even one patterned after the limited efforts of the Straits Settlements.

To any impartial observer the contrast between the relatively liberal 657
relief measures taken in one part of Malaya and the reactionary policy followed in another area was totally incomprehensible. This divergence was clearly underscored in the fall of 1938 by a decision to grant Straits $950,000 from public funds for the relief of unemployment in Penang and by a simultaneous refusal on the part of the Federal Government to sanction spending a single cent for similar purposes in Kuala Lumpur. The explanations usually given were that Penang was a port town to which the destitute naturally drifted and that the chief advocate of unemployment relief in the federal capital had alienated the local authorities by his tactlessness. A report made by the Salvation Army established the fact that, compared with the Straits Settlements, conditions in Kuala Lumpur were far more alarming. The appointment of a committee to investigate the problem was generally regarded in Malaya as so much official eyewash.

In Singapore the Jubilee Fund, capitalized at almost $4,000,000, had 746
supported in the years between 1936 and 1939 about 3,000 persons annually. The skillful way in which it was administered made it a model for 563
the rest of Malaya's towns and the precursor of a more ambitious program of local relief. During the same time-span the corresponding fund in Penang, with capital amounting to $1,400,000, had administered relief to 788 resident families. Thanks to such efforts and to other economic factors it was reported at the end of 1938 that unemployment was at least not increasing among the inhabitants of the Straits Settlements. However, the administrators of the Jubilee Fund did not escape the usual criticism of racial discrimination. The question was fairly academic since the relief so administered was so small in scale as to be called "relief" by

746 563 courtesy only. The maximum given ($25 a month) was only for Europeans and for those Eurasians whose predepression standard of living approximated Western levels.

657 The whole question of employment relief never progressed beyond the embryonic stage in Malaya. The government was unwilling to face the issue squarely in regard to the white-collar class, among whom the unemployment problem was the most acute, and to initiate a uniform and adequate scheme for the whole country. In this as in other such matters it preferred to let private enterprise lead the way and then to supplement such efforts with piecemeal subsidies if, and only if, a crisis ensued. Only in the case of Indian coolies was the government compelled to take more active steps, owing to the pressure exerted by In~~dia and~~ to the importance of rubber to Malayan revenues and the world economy. The tin industry likewise was important financially, but the government did not fear pressure from China and far fewer laborers were involved.

Labor of Women and Children

[462] 464 466 167 When the 1931 census was taken, it was found that women numbered about a fourth of those then gainfully employed, and everywhere they were paid lower wages than men. The abnormal sex ratio characterizing all the immigrant Asiatic communities was in recent years a matter of concern for the governments of Malaya and of India. Measures taken to make immigration to Malaya more attractive to families included differential rates of assessment giving employers an economic incentive to the employment of women; differential recruiting allowances in favor of married couples; payment of $1 bonus to each child of a nonrecruited immigrant; the employment of women traveling inspectors on the immigrant steamers to ensure the welfare of women and children; the provision of crèches, nurseries, and schools on estates; the payment of maternity allowances; the Hindu marriage registration legislation; and the provision of land allotments on estates. An additional attraction was offered by those employers who provided cottages for family occupation. In general the improved health conditions in Malaya were a decisive factor in family settlement and there has been a great increase in the number of children on estates in the past thirty years.

464 872 In 1939 the number of children on rubber estates came to between 37 and 54 per cent of the adult plantation population. Schools for those between the ages of seven and fourteen were required to be provided by managers, if there were ten children or more on the estate. The education dispensed was admittedly of poor quality, necessarily so in view of the small salaries paid to teachers, and the problem of educating a motley array of Indian, Chinese, and Javanese youth. Another serious drawback was that education was not popular with the Indians, either parents or children.

Chinese

children. Child labor was employed extensively on estates, whole families 464 aiding in weeding and other unskilled tasks, and the sums earned by coolie children in the course of a year made an appreciable contribution to the family exchequer.

In the early 1930's an amendment to the Labor Code prohibited night work (defined as between 10 P.M. and 5 A.M.) for women of any age and for young persons under eighteen. Various miscellaneous laws proscribed the employment of children under fourteen years of age on ships, of those under sixteen in places using power-driven machinery, of those under twelve in any places other than estates, and of Indian immigrant children under the age of ten years anywhere.

Beginning in the years just prior to the First World War, Chinese 167 women began coming to Malaya in ever-increasing numbers. For some time the government looked upon such immigration with favor as tend- 563 ing to improve the abnormal sex ratio among the Chinese immigrant community. With the growth of Chinese nationalism in the interwar period it became evident in Malaya, as elsewhere in Southeast Asia, that the reconstitution on Malayan soil of Chinese family life was furthering the tendency of the Chinese to form a group apart. It was not until 1938, however, that restrictions were placed upon the entry of Chinese women. No exact data are apparently available as to the number among 464 them who were gainfully employed. The only aspect of the problem that received any publicity was the *mui-tsai* system, whereby girls of 357 poor Chinese families were bound over as domestic servants to those economically better situated than their parents. The abuse of this system brought into effect legislation designed first to restrict and then to abolish the practice. In 1932 an ordinance was passed requiring the registration of all *mui-tsai* and prohibiting the future employment in such a capacity of women not so registered at the time.

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LABOR LEGISLATION

THE EARLY ORDINANCES regulating Chinese, Indian, and Javanese labor [671] were codified for the Federated States in 1912 and for the Straits Settlements in 1920. The former code underwent no fewer than twelve modifications before both it and the Straits Code were completely revised in 466 1923, as a consequence of negotiations with the Government of India. Until 1925, the Controller of Labor, who replaced the Indian Immigration Department founded in 1907, enforced the labor code in both the

Chinese
Indians

466 Straits Settlements and Federated States from his headquarters located at Kuala Lumpur. Thereafter his control was extended to the Unfederated States, where most of the code's main provisions were subsequently enacted. In this way labor policy in regard to housing, sanitation, medical care, and wages was made theoretically uniform through the country, but in application it varied with the nationality of the laborer, the region, and the type of employment. Admittedly, on the protective side of its work, the Labor Department largely dealt with Indian labor; and on the immigration side its energies were exclusively absorbed by Indians. Officials of the Chinese Protectorate (later Secretariat) acted as assistant labor controllers for Chinese workers. An advisory committee on Chinese labor (without statutory powers) was set up for all Malaya in 1937.

466 647 Under the Controller of Labor were eight European and five Indian assistants, who were stationed throughout the peninsula. The Malayan Civil Servants (Cadets) engaged in the Department's work were required to have passed an examination in either the Tamil or Telugu language, and to have spent a minimum of eight months in India studying local dialects and customs. Similarly, officials of the Chinese Protectorate, who were given the powers of assistant labor controllers, had had to spend at least two years in studying Cantonese or Hokkien in China. The comparatively unimportant groups of Javanese and Malay laborers in the country were supervised by the officials in charge of Indian workers, and these officials had to possess a speaking knowledge of Malay in addition to their Indian linguistic equipment. In Kelantan and Trengganu the number of alien laborers was so small that control over them was exercised through the regular district officers.

Labor depots established in India were placed in charge of an Emigration Commissioner stationed at Avadi and of an assistant located at Negapatam. The duties of these officials included interrogating labor recruits to ensure that the conditions of their future employment had not been misrepresented to them, assisting voluntary laborers to reach Malaya, and inspecting labor camps and the ships transporting laborers to Malaya. An agent of the Government of India was stationed at Kuala Lumpur. He had the right to inspect and report upon all conditions affecting Indian labor, but was without executive powers.

466 686 In Malaya the Labor Department sent inspectors to visit estates and mines to see that the Code's provisions were being carried out and to investigate complaints. In 1936 complaints made to labor inspectors numbered 5,000, of which the great majority came from laborers employed on small Asiatic-owned estates and mines. About half of the complaints concerned the nonpayment or delayed payment of wages, and there were 91 convictions of employers or their agents for infringements of the labor laws that year. Simultaneously, 137 undertakings in the Straits Settlements, 731 in the Federated States, 84 in Johore, 282 in Kedah, and 16 in

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466 [686] Kelantan were visited by the Department's inspectors. The majority of cases dealt with were settled by the Department's officials and only a few were prosecuted in the tribunals. The Sastri Report of 1936 paid a high tribute to the officials of Malaya's Labor Department, and in general gave employers of Indian estate labor a commendation for their adherence to the labor laws and for their good relations with their employees.

So many of the Labor Code's provisions applied only to specific categories of workers and so many departments were involved in their enforcement that detailed discussion of them is relegated in this study to the various headings under Working Conditions. By and large, the Labor, Health, and Education Departments gave most of their attention to Indian estate laborers, to whom the bulk of the laws applied. Mining labor was less closely supervised, although the payment of wages, housing, and health of the working forces were subjected to official inspection. Most of the miners were Chinese, who evinced no desire for Malayan official paternalism and were for the most part employed through the contractor system, and whose government did not intervene in their behalf. Many of the mines were so scattered about the country, often in inaccessible areas, that their inspection became onerous for the responsible officials. Factories, in which the majority of laborers was also Chinese, were more concentrated geographically, but they were not subject to many regulations, and the number of workers employed was so insignificant (compared with those in Malaya's major industries) that they were correspondingly less supervised by the officials. Urban labor, in both private and government undertakings, was nominally under the Labor Department's protection, but its officials admittedly knew little about the prevailing conditions of employment.

5

ORGANIZED LABOR

467 468 THE BASIC RIGHT of association was established for all groups by the Societies Ordinance of 1909. Official policy was designed to foster organizations, and the Registrar of Societies used his veto powers sparingly. No anti-strike legislation was enacted, probably because strikes were sporadic before the middle 1930's, and labor was unorganized, largely because immigrant Indian labor received official protection and the traditional Chinese mutual aid societies and guild organization performed a number of functions currently associated with trade unions.

The series of strike waves which began to affect Malayan industry about

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1936 precipitated government action in initiating a legislative framework for organized labor. The demand for such machinery did not come from the working classes nor from their employers, though the latter group gradually came to admit its necessity. International events inevitably influenced the course of its evolution, since Malay's labor forces were almost wholly alien, and political issues became an increasingly important factor in shaping its development.

Labor unrest during the middle of the last decade differed from its spasmodic predecessors in revealing the country's growing dependence on labor, owing to increased construction work and to a general improvement in the basic industries of tin and rubber. In addition, there was still no adequate machinery for arbitrating labor disputes. While previous strikes had been the logical outcome of certain recognized abuses, such as the contractor system of hiring Chinese labor, the strike of 13,000 coolies employed by the Sanitation Department of Singapore Municipality was a conscious attempt to take advantage of the general labor situation. Tamil coolies might still be called ignorant and illiterate but they were beginning to appreciate the force of the strike weapon and Malaya's dependence on imported labor. Local commentators, although not generally aware of the significance of this development, began to take a serious view of the situation. They found it hard to understand why such widespread discontent should exist among immigrants who had voluntarily come to Malaya to escape starvation conditions in China and India. The government saw more deeply into the problem: wholesale deportations were impractical, expensive, and productive of political repercussions, and the only alternative was to provide permanent industrial arbitration boards consisting of officials, employers, and workers' representatives to deal with the growing number of labor disputes.

The strike of the coolies employed by the Sanitation Department heralded others which, significantly, were not confined to one racial group. In October 1936 both the Indian and Chinese employees of the Singapore traction lines struck for higher wages and shorter hours; after a few days a compromise was reached. More serious was a strike at the Malayan Collieries during the next month, when 4,000 Chinese miners ceased work and prevented mining operations for several days. Their demands were for the usual shorter hours and higher pay, and also for the removal of certain irksome conditions at the mines. Both of these strikes exhibited a lack of organized leadership and some confusion as to the issues at stake. When asked by the Municipal Council to send delegates to discuss these, the Indian strikers replied that one of their delegates was up-country and the other could not be found. Yet despite such loose organization this strike spread rapidly and affected many hundreds of Chinese artisans in private construction works. Only minor acts of violence occurred.

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The more serious strikes among Chinese estate laborers early in 1937 reflected their dissatisfaction over not sharing in the rubber industry's returning prosperity by a restoration of depression wage cuts. In this case London had a share in the responsibility: while the government in Malaya and some of the planting community approved the laborers' demands, the directors of British registered companies were loath to sacrifice the first dividends they were enjoying for some time. Local European sympathy, however, was somewhat dampened by the interjection of politics into the purely labor issues. The strike degenerated into violence and the government felt forced to intervene, but the settlement subsequently negotiated granted most of the strikers' demands and led to the establishment of an advisory committee on Chinese labor, with a competence in the matter of wage regulation analogous to that of the Indian Immigration Committee. The Secretariat for Chinese Affairs, which had waged a long and generally successful battle for the regulation of contract labor, the settlement of local disputes, and the suppression of certain social evils arising from the presence of many thousand Chinese immigrants, was thus plunged further into the field of labor control. In a way the work now cut out for it was reminiscent of its early struggles with the Chinese secret societies in the late nineteenth century. 468 467 668

Though the power of the old secret societies had largely been broken by dispelling the secrecy surrounding their operations, they had continued to exist and were revived by the anti-Japanese boycotts and the forced collection of China Relief Funds throughout the 1930's. During the interwar period nationalist feeling among the Chinese in Malaya was on the increase, and proof of Communist proselytizing appeared in the evidence submitted in labor cases brought before the courts. The dissolution of the local Kuomintang party in 1930 by the Governor of the Straits Settlements contributed largely to the hostility felt by Malayan Chinese toward his major political reforms. The fresh impetus given to nationalist feeling, notably among the less fervent Straits (or second generation) Chinese, by Japanese aggression in 1937 revived local fears lest Malaya come to be looked upon both by the Chungking Government and its overseas nationals as a China Irredenta. Divided loyalties among the resident Chinese raised such delicate problems as their exact politico-economic status in Malaya. The increasingly pro-Malay policy of the government had aggravated the problem of employment for local-born alien Asiatics of the middle class, and in the late 1930's this group was developing a sense of permanent grievance. 563 668

Fears lest an uncontrolled labor movement, stimulated by irresponsible individuals and fanned by nationalist ferment in regions near Malaya, should endanger the country's tranquility received confirmation during the two years preceding the outbreak of the European War. In 1938 the recession affecting Malaya's major industries precipitated a new strike 468

468 wave. Wage cuts on rubber estates were only partially offset by replanting programs and an unusually large program of public works. Chinese miners did not fare so well. Of the four important strikes which occurred in July and August, the one at the Hong Fatt mines was produced by an actual wage reduction, while the other three—all at Singapore—were apparently due to the city workers' belief that an anticipatory strike could forestall similar action being taken there. When workers at the Hong Fatt mines learned that their daily wage, which had already been cut from 80 to 60 cents during the previous few months, was going to be further reduced to 50 cents, rioting broke out and the police were called in. The strikers categorically refused mediation and the management, threatened with further losses from flooding, not only capitulated but [464] actually increased wages. Although the wage issue had precipitated this strike, another long-standing grievance in regard to the contractor system had to be settled before the miners would agree to return to work. The management of the Hong Fatt mines abolished the contractor system, as the Malayan collieries, also in response to strike demands, had done the year before.

In Singapore, after the management of the traction lines had refused its laborers' demands, employees of that company went on strike and refused arbitration unless they themselves were permitted to select the arbitrators. Although the traction workers had an organization of their own, it was soon obvious that its members were almost as suspicious of its leadership as they were of company officials, and they insisted that all the decisions be taken at a mass meeting of the workers. The strike dragged on for six weeks before a compromise solution was reached. Public opinion swung away from an early sympathy with the strikers' just grievances and from resentment over the company's long-standing monopoly of transportation in Singapore, to irritation at the inconvenience the strike was causing. Time was on the side of the government, for the public came to feel that this was no ordinary labor dispute between a commercial company and its employees. The government, it was said, could no longer afford to let so vital a public service be at the mercy of a few hotheads among the laborers or of an obstinate and independent business concern. This strike—the longest and most serious in Singapore's history—turned out to be a valuable educational experience: the company learned how quickly and how gladly the public dispensed with its services; the strikers learned the necessity for proper leadership and that all strikes could not be so quickly won as were their two previous walkouts in 1936; and the government was more than ever convinced of the necessity for setting up organized labor machinery.

The most significant aspect of this strike was that it established, for the first time, the principle of arbitration in labor disputes. Yet there were certain important omissions: the company's agreement to arbitrate did

not include a withdrawal of its refusal to reimburse wage cuts made during 468
the depression or the strike period; and the awards were made by an arbitration tribunal without assigning the reasons for them or setting forth any basic principles which might serve in future industrial disputes. The decision reached represented a compromise designed to settle a controversy that, had it not been promptly disposed of, might have led to further unrest and even produced a solidarity among the formerly scattered elements working for better labor conditions, especially greater security for urban workers. The inter-racial character of the dispute was shown by the active solicitude evidenced by certain Chinese associations for a group of strikers that was predominantly Indian. One cogent and significant argument used in favor of rapid settlement was that a decision adverse to the traction company might create serious discomfiture for other Singapore firms, since the wages and working conditions against which the strike was directed were at least as good as those generally prevailing in the Straits capital.

Although the settlement of this strike failed to eliminate the fundamental causes of labor unrest, the fact that it was submitted to arbitration, and that both parties unquestionably accepted the decision, was an important precedent. This strike, as well as two subsequent ones among the night soil coolies and the Singapore rubber factory workers for higher wages, revealed that neither the government nor the employee group was organized to cope with labor disputes. There was no administrative body equipped with either sufficient authority or prestige to influence capital and labor toward a reasonable settlement of contentious issues. Labor was so devoid of responsible leadership that a strike was frequently called before any demands were formulated, and there was no guarantee that the strikers would respect the agreement reached. The government could not but conclude that the day had come for organized trade unionism in Malaya, but its views were regarded as too advanced by the majority of local employers. The growth of strikes during the fall of 1938 and well into 1939 (among ricksha-pullers and sawmill, railroad, and construction coolies) into which the political element was increasingly interjected confirmed the government in its policy and won an ever-larger adherence to it among the general public.

The labor laws drafted by the government, with the advice of official 671
and unofficial elements, were based largely on New Zealand statutes. In
1940–41 the rapidly increasing number of strikes resulted not only in the 466
outlawing of strikes in certain pursuits essential to the war effort but in
the promulgation of an Industrial Courts Ordinance. This law, a modi- 468
fied version of United Kingdom legislation of 1919, furnished additions
to the existing informal arbitration machinery. It provided for a stand- 698
ing industrial court appointed by the Governor from independent persons and representatives of both employers and workmen, to which labor

698 disputes could be referred. There was also provision for setting up a court of inquiry to investigate matters connected with trade disputes. 466 The Trade Unions Ordinance regulated the organization of trade unions and protected the funds contributed to such organizations by their members. Its complement, the Trade Disputes Ordinance, concerned illegitimate strikes, defined as those unrelated to wages and hours, and the creation of organizations leading to a dislocation of the country's business. These measures required the registration of unions separately from other organizations and made them liable for contracts entered into by them or their agents. Immunity from civil suits for acts performed in connection with labor disputes was granted to registered trade unions and they could not be prosecuted on the ground of restraint of trade. The right of collective bargaining, previously nonexistent in Malaya, was [647] emphasized. It was further stipulated that government employees might not become members of trade unions.

These bills were criticized on all sides. They were condemned on the usual ground of being merely copies of British legislation without their sanctions. It was also said that they provided no protection to workers through their representation by lawyers, and that the courts would be neither representatively chosen nor amenable to the influence of public opinion. Outsiders—defined as employers, agents, or political agitators—were not legally prohibited from gaining ascendancy over a union, it was claimed. Obviously it was not enough that the government recognize trade unions; employers too had to do so if the measure were to be effective. It had long been contended that the mere suspicion of being a union leader frequently led to a laborer's dismissal. The CIAM, in particular, claimed that collective bargaining and the right of association were looked upon with grave distrust by both Malaya's employers and its government, and that until such an attitude was altered no amount of legislation could ever effect a genuine organization of unions. As proof of this contention the CIAM underscored the rejection by the government of its plea to form a wages board on the ground that industry and working conditions throughout Malaya made it impracticable. The government, as the largest single employer of labor, had an obvious interest in keeping wages low.

[185] The government in Malaya had thus pursued a constructive policy in regard to labor organization and legislation in Malaya prior to the Japanese invasion, and it had the courage and sufficient foresight to take the necessary steps in the teeth of opposition from reactionary and myopic groups of employers.

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POSTWAR DEVELOPMENTS

After that of Burma, the labor movement in Malaya is the most 467
advanced of any in Southeast Asia. As in the labor organizations of its regional neighbors, socialist or communist ideology predominates in the political leadership of Malaya's labor organizations. At the same time the fairly equal racial composition of population has given rise to a separatism which distinguishes organized labor's evolution in Malaya from that of analogous movements in adjacent areas. Also, labor organization is widespread in Malaya's rural as well as urban regions in contrast to Siam and Burma, where it is generally restricted to the capital cities. In Malaya the Chinese form the vanguard, the Malays the rearguard, and the Indians occupy a middle position in the present organization of labor. [563] Paralleling the changing political pattern, divergent nationalist sentiments have weakened the united inter-racial character of Malaya's labor movement, which was at its peak immediately following the Japanese surrender.

Labor Shortage and Unemployment

Labor shortages are more acute in Malaya than elsewhere in Southeast 464
Asia inasmuch as the prosperity of the country's two major industries has always been dependent upon imported Chinese and Indian workers. 167
Arrested immigration and the depletion and displacement of existing forces during the Japanese occupation have been aggravated by the unexpected development since 1941 of aggressive nationalism and of radical economic ideologies among all three major ethnic groups. Curtailment of Indian and Chinese immigration into Malaya, which is demanded by Malayans with increasing vehemence, is echoed by nationalists in India and China, but obviously for different reasons. As yet this problem has not been tackled by the British Government and in the meantime the position of the labor forces, whose numbers had been inadequate even before the war, has been strengthened by the increasing demand for their services, which are indispensable to a revival of the all-important tin and rubber industries.

For a few months after the Japanese surrender, unemployment existed 464
in varying degrees throughout Malaya. Labor forces had been scattered and the wheels of industry not yet set in motion. No steps were taken, however, other than to initiate a registration machinery similar to that

464 established by the CAS/B in Burma, nor were unemployment figures issued by the British Military Administration (BMA), probably because the population was recognized to be in a state of flux and the existing situation temporary. Within a fairly short time the slack was taken up and unemployment largely confined to the clerical class. This group had always numerically exceeded demand, and after 1942 its position worsened since neither the Japanese nor British military administrations had as much need of clerical services as they had before the war. Clerical unemployment may be expected to diminish as the civil government and industrial and mercantile firms resume operations, but at best the status of the white-collar class in Malaya can probably never become much more satisfactory than it was before the war.

465 The prevailing disparity between wage scales in the different parts of Malaya is obviously aggravated by current labor shortages. This situation existed before the war, but it has been rendered acute by the recent recrudescence of labor crimping. The BMA's rates for Indian estate labor were fixed at 70 cents a day for men, 55 cents for women, and 40 cents for children. Since the return of civil government the United Planters Association of Malaya (UPAM) has advocated $1 a day for men, with the addition of a 10-cent daily living allowance. (Chinese rubber tappers were at this time paid at the rate of $1.50 a day.) In the cities the BMA paid higher wages: men doing heavy manual work received 90 cents a day; those doing light labor, 85 cents. Probably urban labor currently employed by the civil administration or by private concerns is paid proportionately higher. Although estate labor is now required to cultivate food crops for its own use one day a week, for which the same wage is paid as for rubber tapping, and although the wage scale is appreciably above the prewar level, there is little doubt that there remains a considerable gap between wages and present living costs.

Strikes

468 Two months after V-J Day a series of strikes began which subsequently gained momentum. Characteristic of Malaya's labor evolution, even the first work stoppages were not confined to any one area, ethnic group, or occupation. Kuala Lumpur's railroad workers, coal miners at Batu Arang, tin miners at Ipoh, and Singapore's dock workers and transport employees—comprising Chinese, Indians, and Malays—were all participants in the early strikes.

Political motivation was lacking at this stage in all the strikes but that affecting the Singapore Harbor Board. Increased wages were the main objective and the strikers were generally willing to return to work pending completion of a peninsula-wide survey which the BMA pledged to undertake for the purpose of fixing a fair wage scale. The strikes which occurred in November 1945 were smaller in scope, affected less vital industries, and involved demands for higher pay. 468

Nevertheless it soon became evident that the strike movement had not lost its vitality. Although all the December 1945 work stoppages were confined to Singapore, they involved approximately 10,000 persons, lasted a number of weeks, and affected principally public utilities. Organized demonstrations and processions accompanied these strikes. Late in January 1946 the largest strike to date was called by the Singapore General Labor Union (GLU); its duration was very brief, but it involved several hundred thousand workers belonging to mercantile concerns and transport and recreation industries. This was the first strike motivated wholly by political considerations and it was called off after only two days, possibly because the local labor leaders felt that so large a strike was premature or because they preferred first to test their organizational strength in the peninsula.

In February the major strike scene shifted to the mainland: even on the east coast, at Kuantan, a strike occurred. At Penang, shipping and the great tin smelter were paralyzed by strikes. It was the western peninsular states, however, particularly Kuala Lumpur, which at this time became the main centers of labor unrest. For several months a strike, which started among the railroad workers at the former capital of the Federated States, spread to all the major peninsular rail centers. By April, when the railroad strike was on the verge of settlement, unrest became evident among the Indian estate workers of the west coast. Singapore simultaneously resumed its position as the nerve center of Malaya's labor movement when it experienced successive strikes at the naval base and among government and municipal workers throughout the summer of 1946.

The great majority of Malaya's postwar strikes were motivated by genuine labor grievances, inflationary living conditions, and wide variations in the wage scale. The demands were for higher wages, larger rice rations, increasing living allowances, free medical care, paid holidays, and the like. Some strikes also had political coloring. The first strike by the employees of the Singapore Harbor Board was in protest against the loading of ships carrying arms for the suppression of the Indonesians' military activities. Singapore's two-day strike of late January 1946 was designed to bring pressure on the BMA in general and on the Johore police in particular to affect the release of arrested union leaders and to restore confiscated union property. In May striking Chinese wharf coolies asked permission to hoist the Chinese flag in celebration of the restoration of Nanking as China's capital; they also demanded the immediate dissolution of the local gendarmerie. Labor unrest among the Indian estate workers in Malaya paralleled similar movements among laborers in India. [668]

Labor Organization

467 The outbreak of the Pacific War caught Malaya's labor organizations in a state midway between politico-economic, clandestine activities, and partial recognition by the British Government. The nationalistic and communistic character of such organizations as existed, confined to the immigrant Indian and Chinese laborers, was sufficiently apparent to the British authorities to force a change in their policy from one of suppression to that of grudging and partial recognition for the purpose of more efficiently directing their development along strictly labor lines. The machinery for implementing this altered policy had just been set up prior to the Japanese invasion of Malaya.

[722] During the occupation, the major resistance offered to the Japanese came from the same groups that had organized local labor forces before the war, particularly from the Chinese Communists. The role they played during the occupation gave them greater opportunities for organization and leadership than ever before and also augmented their self-confidence. It subsequently earned the gratitude of the postwar British Government, which by its very nature was committed to encourage labor movements. Further, the interval between the Japanese surrender and the resumption of British control enabled the various racial groups in Malaya, especially the Chinese, to strengthen their ranks openly and to perfect their organization.

Throughout the fall of 1945 innumerable labor unions were formed throughout Malaya. They were organized along minutely divided lines, and few of them embraced even all the workers engaged in the same occupation in a given locality. Gradually greater unity was achieved and by the end of the year General Labor Unions (GLU) had been formed in the various states and in the Straits ports. The culmination of this centralizing trend came on February 15, 1946, with the establishment of the Pan-Malayan General Labor Union by the individual state GLU's.

Inevitably the GLU's have been strongest in the western part of the peninsula and in Singapore, which were the areas most highly developed economically before the war. Leadership in forming the Pan-Malayan GLU was assumed by the General Labor Unions of Singapore and Selangor, both of which showed their strength during the strike wave that began shortly after the establishment of the BMA. The Singapore GLU early in 1946 claimed a membership of about 200,000 laborers of all nationalities; that of Selangor, 38,000; and that of Penang, some 22,000. Solidarity among these nascent GLU's was demonstrated in January 1946, when the Singapore, Selangor and Penang organizations rallied to the support of the Perak GLU after its leading officials had been arrested.

That same month preparations were seriously undertaken for the

formation of a Pan-Malayan GLU under the chairmanship of Loo Cheng, 467
president of the Singapore GLU. At a two-day conference held at Kuala Lumpur, the Preparatory Committee dispatched a cable to the Security Council of the United Nations and to the International Labor Office requesting the use of their influence in effecting the release of arrested Perak labor leaders, and affirming the democratic character and world interests of Malaya's labor movement. Almost two hundred delegates attended the Pan-Malayan GLU Conference held at Singapore in mid-February. Eight of the fifteen resolutions passed at this session dealt with the political objectives of the newly formed Pan-Malayan GLU. The White Paper on Malaya was denounced: the British Government was requested to evolve a system of democratic self-government for the country, to aid the Indonesian nationalist movement, and to resolve Sino-Malay conflicts. Specific desiderata avowedly embodied the platform of the Malayan Communist Party. The newly formed body expressed its intention of seeking membership in the ILO, and the labor objectives of the Pan-Malayan GLU were stated to be unemployment relief, effective social insurance, paid holidays and sick leave, abolition of the contract and apprenticeship system, minimum wages and maximum hours—Straits $2.15 per eight-hour day—limitation of child labor, provision of schools for laborers, and prohibition of the sale of toddy and narcotics to laborers.

Racial Aspects

There is evidence that the racial solidarity manifested in the early 467
labor organizations and strikes of Malaya is being undermined by mu-
tually hostile nationalist and factional sentiments. The centripetal 563
tendency is still embodied in the General Labor Unions, which have a membership (with sectional subdivisions) embracing all the major ethnic groups in the country. The centrifugal trend derives from the nationalist and factional antagonisms which are simultaneously and similarly altering the Malayan political scene. By the spring of 1946 the latter tendency was clearly delineated, particularly with regard to Sino-Indian relations.

Indian estate laborers were slower to organize in the postwar period 467
than were the Chinese. The delay in resuming plantation activities and
in assembling tappers dispersed during the Japanese occupation, the 563
mutual isolation of estate workers—compared with the generally more 468
urban concentration of the Chinese coolies—and the involvement of many Indians in Bose's Azad Hind movement accounted for the failure of Indian workers to become active in the labor movement before the spring of 1946. A stimulus to Indian labor's self-consciousness was doubtless the visit to Malaya of Pandit Nehru, who told the Penang GLU that he

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467 found workers' conditions in Malaya "shocking." The strikes that occurred subsequently among plantation workers were confined to Indians,
563 and everywhere they complained of discrimination against themselves
468 and in favor of the Chinese. In June the Indian coolies employed at two Chinese oil mills struck, and in neither case were they joined by any Malay or Chinese laborers. That same month J. A. Thivy, Labor Minister for Azad Hind during the Japanese occupation, tried to form an organization that would include all Indian laborers in Malaya. It has not been clear whether or not Thivy intended to set up a rival organization to the Indian sections of the various GLU's, with which he has also been affiliated. His main connection, however, is with the Indian Independence Movement, heir to the Indian Independence Leagues of S. C. Bose and centered in northern Malaya and southern Siam. It is possible that he projects an extension of this movement to mainland Malaya, using organized Indian labor as its spearhead.

The British planting community is well aware of this growing rift between Chinese and Indian laborers. In March 1946 the chairman of the United Planters Association of Malaya (UPAM) stated that Tamil rubber tappers were making a real effort to break away from the labor unions, which have been Chinese-dominated, and that this tendency should be deliberately encouraged by the district planters.

[668] Another trend, even more weakening for labor solidarity in Malaya, is the increasing factionalism within the Chinese and Indian communities, reflecting the transfer to Malaya of the cleavages in political alignments in the home countries. For example, the Penang Engineering Labor Union is pro-Kuomintang in its political sympathies and hostile to the Communist-dominated GLU. Among the Indians there is a growing rivalry between the Indian Independence Movement (IIM), comprising former Azad Hind adherents, and the Indian sections of the GLU for leadership of Malaya's Indian laborers. In July the Singapore police had to intervene between these rival groups after one of them threw bricks at a truckload of Indians on their way to lay a wreath on an INA memorial erected during the war under Japanese auspices.[4]

These developments, taken in conjunction with the longer-standing hostility between the Malays and Chinese, augur ill for the development of a unified, strong labor movement in Malaya and play into the hands of employers, both governmental and private, who care to pursue a divide-and-rule policy.

British Attitudes Toward the Labor Movement

466 Shortly after their return to Malaya, the British revived the legislation in force in 1941, which included the Trade Union, Industrial Courts, and

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[4] *New York Times*, July 22, 1946.

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Trade Disputes Bills. But, owing to the shortage of trained personnel and preoccupation with more pressing problems, they failed to set up the machinery required to implement such prewar labor legislation. 466

On November 1, 1945, the BMA committed itself to supporting in principle the organization of labor in Malaya, with the proviso that unions must comply with the still wholly theoretical 1941 legislation. In February 1946 the BMA again went on record as willing to encourage the rapid establishment of legitimate trade unions as soon as was feasible after re-establishment of the civil government, but the Trade Union Ordinance, 1945, Malayan Union, was not even officially gazetted until June 21, 1946. A note of warning was sounded in the second official statement of February, to the effect that every effort would be made to prevent registered unions from being used for political purposes by means of extortion and intimidation.

During the preceding December an adviser, J. A. Brazier, was appointed by the Colonial Office to foster the organization of labor unions in Malaya and to assist in setting up machinery for the conciliation of labor disputes. The president of the Singapore GLU, in welcoming the appointment, expressed a hope that the new adviser would not obstruct the organization of Malaya's labor under guise of helping the country's workingmen. In October 1946, the Secretary of State for Colonies announced that a tripartite Labour Advisory Board would shortly be formed in the Malayan Union which would include officers of the Labour Department and employers' and employees' representatives of all races; also, that a similar board was planned for Singapore as well as a Joint Tripartite Labour Advisory Board to deal with the affairs common to both the Malayan territories.

The attitude of the British Government in Malaya toward the local labor movement has been one of decreasing sympathy, bordering recently on hostility. It has taken the general stand that the existing unions are a recent phenomenon born of wartime conditions and that they have become the front for subversive political activities. The British in Malaya seem to believe that Malaya's laborers learned to enjoy inflationary wages and acquired self-importance during the Japanese occupation. Labor strikes and demonstrations did not occur during the occupation, they aver, solely because of Kempei-tai brutality. Now that that agency has been removed, laborers are openly feeling their oats and are primarily concerned to prevent a complete return to postwar imperialism and capitalism, and the immigration of hordes of coolies. Their fears have made them ready to listen to any agitator who will help them retain and perhaps strengthen their privileged position, and they have become malleable puppets in the hands of alien Communists.[5] [668]

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[5] *Straits Times,* July 10, 1946.

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This attitude, which is largely a survival of the prewar concept of Malaya's labor movement, was for some time mitigated by respect for the effective resistance put up by the Chinese Communists to the Japanese during the war. But it has been rapidly wearing thinner as strikes have increased in number, union organization has gained in strength, and the movement's political objectives have become more evident. The antagonism toward existing labor organizations felt by the BMA has been inherited by the civil administration which succeeded it in April 1946. Neither government nor private employers have apparently felt any scruples about using Japanese prisoners-of-war to break strikes, arresting and banishing labor leaders, raiding union premises, and thwarting labor demonstrations. The British are evidently willing to tolerate and even to encourage the growth of unionism in the Western sense of the term, but they seem equally determined to divorce the labor movement from its present political leadership.

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CHAPTER IV · INDONESIA

1

GENERAL LABOR CONDITIONS

THE WORKING POPULATION of the Indies is usually divided into three categories. By far the largest group consists of the agriculturists working either on their own lands or for other farmers; the second comprises laborers on estates and in transport, and the third is made up of those employed in industries. The classification followed by the NEI official statistics is based on technical lines and largely corresponds to the Indonesian social structure. Primary industry is defined as including sugar refineries, the tea and coffee industries, and in general all the productive activities of estates or plantations; secondary industry is taken to include the output of factories or workshops which use mechanical aids and employ fifty or more laborers. Cottage and small-scale industries, largely because of the small number of workers involved in the individual units and their use of hand tools, are placed in another category. 463

The last occupational census taken in Indonesia before the war (1930) indicated that out of the total population of 60,731,025, 34.4 per cent were gainfully employed—48.5 per cent of all the males and 20.6 per cent of all the females. Agriculture was the occupation of about 60 per cent of the 20.3 million Indonesians earning their own livelihood and farming was shown to be even more important in the Outer Islands than in Java, where the Indies' industrial production was concentrated. Approximately 10 per cent of the Indonesians were engaged in manufacturing, 5 per cent in commerce, and the remainder in a medley of occupations. [241]

Europeans, who formed the small managerial group in both business and government, were more diversified in their occupations. About a fourth of them were employed in the civil service or in the armed forces, and smaller groups were engaged in business and the professions. Some of them belonged to the white collar and laboring classes, especially those employed on estates or in factories as technicians or clerical assistants.

Of the 470,000 Chinese listed as gainfully employed, the largest percentages were engaged in commerce and in primary production. In

463 general they—together with the Arabs—formed the commercial middle class of the Indies. The occupations of non-indigenous Asiatics were generally mercantile, but their pursuits were more varied in the Outer Islands than in Java. Java's more advanced social organization and denser population compelled a greater proportion of its residents to engage in secondary production, whereas in the Outer Islands 82 per cent of the workers were employed in primary production.

161 Java formed the great labor reservoir and main local market of the Indies; it produced for the islands' needs and for the export trade. Statistics reveal that in 1930 the density of the population in Java ranged from 800 to more than 2,000 persons per square mile, whereas in Borneo the average density was only 10.5; in the Celebes, 58; in Sumatra, about 31; and in the Moluccas the figure was even lower. Only in Bali of all the Outer Islands did the population density approximate that of Java. Thus, in 1930, a population numbering 41,719,000 was concentrated in an area of little more than half the size of Great Britain, and it has been increasing at the rate of about half a million annually. For some time the tremendous growth in population was neutralized to a certain extent by the cultivation of virgin soil, by increase in the land's productivity, and by the development of such export crops as tobacco and sugar which required large labor forces. But in the interwar period there was a growing recognition that the population problem was rapidly becoming
311 critical. The limits of cultivable land had almost been reached; an official commission estimated in 1937 that only about 750,000 acres of
433 unused arable land remained available in Java—or about enough to feed two-fifths of the annual increase in the population over a seven-year period. Further possibilities of increasing production on land already under cultivation would give but meager results because of the high intensity of use already attained. In some areas cultivation had already overreached itself, especially on sloping land where soil erosion was becoming a serious problem.

427 The average holding of a Javanese farmer was less than a hectare, and a considerable amount of the farming land was sharecropped. The de-
654 pression aggravated the problem by returning to their villages many of those who had been working on estates. The government, which years
242 before had prohibited the permanent alienation of native-owned lands
474 to non-Indonesians, stepped in to increase production by extensive irrigation works, distribution of selected seed, and education in scientific farming methods. The organization of Centrals, or cooperatives, enabled the farmer to get more profit from his toil, and credit facilities were established for the rural population. Price fixing, especially for basic crops like rice, was designed to improve the farmers' standard of living, as was also a curtailment in the extension of cultivated acreage in the 1930's.

Nevertheless the two main steps taken by the government to solve the

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Nevertheless the two main steps taken by the government to solve the problem[1] were the emigration of surplus Javanese to agricultural villages 166 in the Outer Islands and an industrialization program for Java itself. 654 Since the development of plantation agriculture in the Outer Islands, 464 notably on Sumatra in the late nineteenth century, Javanese coolies had been recruited to furnish a labor force which the indigenous peoples neither could, nor cared to, supply and which gradually replaced the more expensive and numerically inadequate labor of Chinese workers. [466] Beginning in 1880, successive ordinances were promulgated governing the employment contracts for imported Javanese laborers. Severe penal sanctions were written into their contracts which were designed to ensure the retention of immigrant working forces in the Outer Islands. There were also advantages, which were not yet legally enjoyed by free workers, such as the establishment of maximum hours, rest days, free housing, medical care, and repatriation at the employer's expense. The contract was limited to a three-year period, and the penal sanctions were reduced by degrees almost to total abolition which was scheduled to occur about the date on which the Indies were conquered by Japan. The official program called for a progressive replacement of contract by free workers drawn from among voluntary emigrants to the Outer Islands and from Javanese farmers settled there in villages especially prepared for them by the administration. While this policy was successful in establishing a few thousand Javanese families in the Outer Islands and in contributing to the labor force, it provided no solution for the overpopulation problem of Java. A more hopeful possibility in this regard seemed to lie in the industrialization program for Java.

Until the world depression, industry had undergone little development [433] in Indonesia. In 1930 such industries as existed—mining and the processing of agricultural products—employed no more than 10.6 per cent of the 654 working population. The ratio was higher in Java (than in the Outer Islands), where industrial employment ranged from 70 per cent of the [464] total engaged in the metals branch to 83 per cent of all those employed in the manufacture of textiles. The depression stimulated Java's industrialization and forced official recognition of the growing gravity of the population problem and the suffering caused by so drastic a curtailment of the Indies' traditional import and export trade. It was also encouraged by an ever-growing Indonesian appreciation of the things which money could buy.

The government's policy did not aim to alter the fundamentally agri- 654 cultural character of the Indies nor its major role as an exporter of raw materials, but rather to improve the status of the farming community and to encourage such industries as would require large labor forces, help to create an Indonesian middle class, and make the whole area more self-sufficient. Production of, by, and for the Indonesians through small enterprises widely scattered throughout Java was the official goal. This

[1] [i.e., of over population--Analyst]

654 policy was pursued even after the depression gave way to improved world economic conditions, and the outbreak of the Second World War provided an additional stimulus.

[438] [446] Government activity in this field was manifold throughout the 1930's: it included the virtual creation of a local market, the training of skilled workers, and the restriction of industrialization to specified and appropriate areas. To arouse a wide Indonesian interest in the new commodities being manufactured locally, the government organized small and frequently varied exhibits throughout rural regions, employed native teachers to demonstrate their use, promoted fairs and competitions, and sent out numerous traveling salesmen to familiarize the most inaccessible settlements with the functions of new items and to persuade the people of the desirability of satisfying hitherto unsuspected needs.

[391] 433 Indonesian small-scale industry responded by taking up the manufacture of the officially sponsored articles, at first in a primitive fashion and later in better managed workshops. In the years between 1935 and 1939, Indonesian secondary industry ceased to be ancillary to agriculture and expanded. With the increased mechanization of agriculture, the demand for tools was enlarged and an industry for their manufacture and repair grew up, which in time not only supplied the needs of farmers but the growing shipyard and handicraft industries as well. The "needs" of Indonesians for manufactured goods developed so fast that they could no longer be supplied exclusively by the expanding handicraft arts, and [377] local mechanized production also grew apace. During this period the number of workers engaged in factory production tripled; the number of electric power stations rose from 299 to 458; the number of large weaving mills grew from 9 to 67, and about 700 other types of factories were established. The size and output of such factories was extremely varied (though all of them were of the Westernized type), and the number of workers employed therein ranged from twenty to four or five thousand.

[464] 874 A great many more skilled workers than were available in the early 1930's were required to man the new factories, and the task of training them taxed the government's ingenuity. The supply of graduates from the country's vocational schools was inadequate. Traveling instructors, who were themselves Indonesian skilled craftsmen and not white-collar academicians, were dispatched to train and guide workers in the rural areas. Since more teachers and supervisors were a prerequisite to further industrialization, private initiative was called upon to aid in the task of instruction. Local training schools were set up by the textile, shipbuilding, and other industries; yet the demand for teachers and trained workers continued to outrun the supply. Before the Japanese invasion of the Indies, there were 332 industrial schools giving instruction in the vernacular, and 379 where Dutch was the medium used; 28 Indonesian-language business schools, and 48 business schools in which Dutch was the

language medium. Special government departments were created to implement 874
the official industrialization policy, to guide vocational training,
and to study and draft appropriate legislative measures. In 1934 the government [656]
assumed the legal authority to regulate the growth and type of
industry to be developed in various areas, in order to prevent destructive competition and to encourage only such commodities as were needed in the different localities.

The Second World War called for an immediate expansion of the program, 433
particularly for supplying defense needs. In 1940 the output from
Java's factories rose substantially and employment increased by 12 percent. 654
In 1941 the new capital made available through the Nazi occupation of the Netherlands intensified production, but the expansion then planned was only getting under way when it was cut short by the Japanese invasion. Nevertheless the industrialization effort made by the NEI Government throughout the 1930's had no comparable counterpart elsewhere in Southeast Asia in respect to careful and intelligent preparation and execution.

There was, however, a very serious void in the official program in that 466
it provided little legal protection for the industrial worker. A Bureau of Labor had been set up within the Department of Justice, but its special province was the contract estate worker. Undoubtedly official neglect of the factory worker was due to the comparatively recent industrialization of the Indies and the difficulties involved in exercising effective control over workers scattered about innumerable small workshops.

The physical and psychological make-up of the Javanese worker affected 461
his status as a laborer and also the employer's and the government's
policy toward him. By force of circumstance the Javanese has 147
become as industrious as the Tamil and for much the same reasons, but his short stature and light build make him less suited to heavy work. According to the NEI Labor Inspectorate's reports, the pressure of population upon the soil's productivity and the low level of wages conditioned the Javanese worker to chronic undernourishment and other ailments. Reportedly he was at his best in repetitious tasks involving no great feats of strength, and after a brief training his performance in such operations was as efficient as that of a Western workman. The Javanese proved himself to be a good worker in such industries as cigarette and textile manufacturing, where his manual dexterity and inventiveness found expression, but his performance declined in proportion as the work he performed grew heavier.

The psychological factor that influenced his working status was his 461
attitude toward wages. The Javanese seemed to experience no spirit of
rivalry or of competition; apparently he never begrudged or tried to [157]
emulate another worker achieving higher wages. The more skillful worker did not demand better pay because he felt himself no more de-

[465] serving of it than his less talented colleagues. The prospect of larger
income was small stimulus, and employers, who were only too well aware
461 of this viewpoint, were able to maintain appallingly low wage levels. In
1912, for example, when a shortage of coolies occurred, employers did
not offer higher wages as an attraction but increased the commission paid
to recruiting agents. So long as most Javanese labor was casual and not
wholly dependent upon employment for its livelihood, the argument that
raising wages simply meant less work being accomplished remained valid.
[464] The Javanese did everything to avoid becoming a full-time wage-earner,
largely because it involved leaving his village community. The tradition
of mutual aid and the prevalence of sharecropping permitted him to
retain his freedom, his village life and his sense of dignity. Since the
earliest European enterprises in Java were agricultural, the arrangement
of part-time work supplied by nearby villagers proved to be fairly satisfactory to both the employer and employee groups. The former always
found workers ready to labor temporarily or part-time for the smallest
wage. The Indonesian was willing to make a tremendous effort to obtain
an insignificant sum in order to satisfy some immediate need, and the
European planter was spared the expense of supplying him with housing,
medical care, compensation for accidents, and old age pensions.

[178] During the past decade the depression, together with population
growth, curtailed employment on plantations and increased the rural
[427] element of the population which owned no land and consequently was
forced to accept full-time wage employment. It was from this group, the
464 embryo of a rural proletariat, that the growing factory industry of Java
could draw its labor supply. Another factor, and one encouraged by
the government, was a growing Indonesian interest in acquiring new
(184) commodities and in consequence a money-mindedness. The growing
group of factory workers came to approximate the status of the estate
laborers in the Outer Islands regarding both their standard of living and
their outlook. Both groups were sharply differentiated from the mass of
Javanese, who if they accepted employment did so only temporarily to
satisfy their few cash needs and returned as rapidly as possible to the
traditional community life of householder farming.

467 The lack of organization among Javanese labor forces has been another
handicap to their advancement. Since most Javanese wage earners were
only temporarily associated with an enterprise and since such undertakings were widely scattered, there was little incentive or opportunity for
them to organize in order to improve their collective status. Sometimes
individuals or small groups practiced a kind of passive resistance by withdrawing to their villages if dissatisfied with working conditions, but this
was usually not a concerted action affecting the entire labor force, no
positive demands were formulated, and replacements by other laborers
were easily effected. Although his village was a source of strength to the

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laborer in distress, yet its existence proved a kind of weakness since employers and the government were not compelled to assume responsibility for unemployed or superannuated workers. Such trade unionism as had gathered strength existed primarily among government workers who felt that they must maintain a living standard commensurate with the prestige which such positions assume in Oriental eyes. 467 647

Probably in the long run the intermittent nature of most Javanese employment worked to the disadvantage of employers as well as of workers. Employers of seasonal labor and purchasers of craft output could not count upon either regular or quality production. Because his technique was taught to him by relatives or neighbors and because he traditionally produced for an impoverished and unexacting Oriental clientele, the Indonesian workman took slight interest in turning out a perfect product on time. He made no attempt to compute costs, especially those involving the time factor, or to utilize his skill in the most economical way; only very slightly was he responsive to a decline or rise in the sale price. The result has been a product that usually did not meet the requirements of the Western market. This was met by Westerners who imposed their organization and processes but left only the actual labor involved in the hands of the Oriental producer. In the light of such factors the NEI Government has been wise in its policy of industrializing the Indies solely to supply the local market; in utilizing those features of Indonesian social life and traditions as could be adopted to such production; and in trying to maintain and to improve agricultural methods and living conditions for the mass of the population. Where it principally failed was in solving the overpopulation problem and in protecting by legislative safeguards the great mass of the people who were not contract workers. 461 [868]

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TYPES OF LABOR

Forced Labor

Forced labor existed in the Indies up to the time of the Japanese invasion but had been progressively reduced, and everywhere money commutation for such services was increasing. For certain local purposes forced labor was traditionally a part of the village system in Java and in the Outer Islands; village chiefs could require that each resident give a certain number of days' free labor for such communal purposes as night watching, sanitation work, and road maintenance. 466 621 476

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466 425 On certain private lands (*particuliere Landerijen*) owners retained extraordinary powers up to the outbreak of the war, including the right to forced labor. Most of such private lands were located in West Java. Between 1910 and 1931 large sums of money were spent by the state to expropriate these private lands, thereby conferring on their laborers the same status as workers on the public domain. After the depression became severe, a semi-private company was formed to purchase the remaining private lands, but its work was never completed.

466 651 *Heerendiensten,* or forced labor required by the central government, had originated in the barter economy prevailing among Indonesians whereby the only way in which they could fulfil their tax obligations was by the performance of labor on public works. The average number of days required for such labor was about twenty. Theoretically the native taxpayer had the option, with certain exceptions, of substituting money payment, but the majority of Indonesians were too poor to buy off the labor tax. Approximately 600,000 of the three million or so Indonesians subject to forced labor were able to commute it to money payment every year.

Forced labor on directly administered lands was first abolished in Java and Madura, where the inhabitants had more cash reserves than elsewhere and where the labor shortage was less acute. By 1938 the situation in the Outer Islands had become such that the government likewise granted them the right of cash commutation, and it was laid down that compulsory labor could no longer be required even when the supply of local labor was inadequate to carry out works of public utility. The Road Tax Ordinance of 1941 reduced the voluntary substitution of work for taxes in the Outer Islands. Persons whose living standards rose beyond a level determined by public decree for the various areas were required to pay the tax in cash; others were given the choice of paying taxes in money or of working on the public roads. The system was apparently so widely disliked by the Indonesians that their performance of forced labor was described by an American observer as "slow sabotage."

Immigrant Labor

[162] 651 434 The non-Indonesian component of the Indies' prewar population was very small, forming only about 2.6 per cent of the total, but the political and economic importance of that group far outweighed its actual numbers. An indication of its relative importance is revealed by its wealth. In 1936 approximately 64,500 Europeans paid about 265 million guilders in income taxes, and 40,155 non-native Asiatics (most of whom were Chinese) paid about 90 million guilders, whereas the money returns from income taxation of Indonesians amounted to only approximately 50.5 millions.

EUROPEANS

563 162 463 *Europeans.* For official purposes the population classified as Europeans included not only all Dutchmen and others of European origin but other groups such as Eurasians and Japanese—those whose family law was considered to approximate that of the Netherlands or those who were by government decree assimilated legally to Europeans. In 1930 the non-native population comprised 208,269 Netherlanders (of whom perhaps 70,000 were "pure" Dutch), and 31,895 of other nationalities, including 7,381 Germans and Austrians, 2,414 British, and 7,159 Japanese and Formosans. Of the entire "European" population only about 36 per cent were gainfully employed in 1930, and of these 84.9 per cent were Dutch, 4.2 per cent Japanese, 3.9 per cent Germans, and 1.4 per cent British. Foreigners were chiefly employed in business concerns and in the production of raw materials—the latter occupation accounting for 49.9 per cent of the Germans, 69.1 per cent of the British, and 70.2 per cent of the Japanese.

647 463 About a fourth of the gainfully occupied Europeans were engaged in government service. In western Java, where approximately a third of the entire European population was concentrated, about half of them were in government employ. In Sumatra about a quarter of the European population was engaged in estate agriculture, but both there and in Borneo a considerable proportion was employed in the oil industry. The Crisis Ordinance of 1935 limited the employment of European aliens, and as it worked out this restriction applied chiefly to business firms which habitually recruited their employees from home sources. Alien residents of nine years' standing were accorded special privileges. More than half of the Europeans in Java and Madura, and a somewhat smaller proportion of those living in the Outer Islands, were considered as permanent residents. Most of them were of Dutch origin. One interesting feature of the NEI's Open Door policy, which contrasted sharply with French practice in Indochina, was the number of non-Netherlanders employed in the civil service. Approximately 400 Germans served as functionaries (252 being in the police and in the army) although the German colony was not numerically very large.

466 Comprehensive legislation (*assistentenregeling*) passed in 1921 affected a certain group of European employees. The conditions of employment for European managerial staffs on the Sumatran east coast estates were regulated by laws of March 1922. By these laws, employers were required to make individual contracts (excepting with foremen and contractors) in which were stated the monthly salary, perquisites, share in profits, and number of holidays to which the employee was entitled. The obligations of employers in regard to the health and safety of their European staff were extensive, and especially specific were the rules governing termination of the contract.

000 Very different labor standards were applied to indigenous labor, and a

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Chinese

466 Very different laborstandards were applied to indigenous labor and a
563 reason for the retarded development of general industrial relations in
Indonesia was the reluctance of European workers to make common cause
[464] with the natives to improve their common laboring conditions. Moreover, after the depression Europeans were more and more being replaced by Indonesians, so that by 1941 about a fourth of the managerial and approximately three-fourths of the overseer positions in Javanese factories were occupied by Indonesians. Thus Europeans were increasingly being relegated to the higher technical and top management positions in the factories.

[162] *Chinese.* The Chinese were the largest alien group in Indonesia, numbering 1,234,000 in 1930, and probably approximating 1½ million in an
563 estimated total population of 70 million in 1940. Although here as elsewhere in Southeast Asia they originated principally in Kwangtung and Fukien and their arrival in the Indies long antedated that of Europeans, their position was different from that of their compatriots in Malaya,
[167] Siam, and Indochina. In the first place they formed only about 2 per cent of the total population and only about a third of them were immigrants. And although in the 1920–30 decade the annual rate of their increase was 4.3 per cent (of the 28,000 immigrants in 1937, 20,000 were Chinese), yet in Java the Chinese colony had existed for about three hundred years in about the same relative strength as in the last ten years. In 1930 nearly half of all the Chinese (582,431) lived in Java and Madura; in the municipalities they formed about 10 per cent of the urban population. On the other islands the largest Chinese colony was to be found in Sumatra (448,431) where they were predominantly immigrant laborers, especially in the tin mines and on the large rubber and tobacco plantations. The 108,000 or so Chinese of Borneo were mainly the descendants of old immigrant families and were engaged in agriculture, lumbering, and the like. In the Outer Islands as a whole only 11 per cent of the Chinese population was urban.

In the early days the Chinese community was organized under its own headmen who were responsible to the Dutch authorities in much the same way that Chinese were governed in Indochina. But in regard to residence and movement, and above all in their legal status, the Chinese suffered serious disabilities. A long-standing Chinese grievance arose out of the grant to the Japanese in the Indies (at about the turn of this century) of the privilege of legal assimilation to Europeans. But the restrictions placed on Chinese were progressively removed and they were granted a privileged position in the *Volkskraad,* which in certain respects exceeded that accorded to Indonesians. In 1919 and 1925 the Chinese were by degrees removed from the jurisdiction of native courts and were able to move about with greater freedom, but in regard to procedural

Chinese

criminal law they were never assimilated to Europeans although this 563 action had long been under consideration.

In two other respects friction arose between the Chinese and Dutch authorities. Although China had formally recognized the Netherlands law of 1911, whereby those born in the Indies were regarded as subjects of the local government, the Chinese consuls established in the islands generally acted on the assumption that the local Chinese were still Chinese nationals. A second major difficulty arose from the depression-inspired law of 1931 by which the NEI Government attempted to curb [167] immigration by raising the tax on all immigrants to 150 guilders. The subsequent attempts of the Chinese Government to secure a mitigation of this law were unsuccessful. The double loyalty issue became far more acute after the outbreak of the Sino-Japanese war and was still unresolved by the time Japan invaded the Indies.

According to the occupational census of 1930, the 470,000 Chinese gainfully 463 employed were distributed as follows: 31 per cent in primary production, 20 per cent in manufacturing, 27 per cent in commerce, a very few in public service, and the remainder scattered in various other occupations.

In Java, where there was little opportunity for the Chinese in agricultural work, only 9 per cent of the Chinese were engaged in primary production as compared with 58 per cent in commerce, whereas in the Outer Islands 44 per cent were occupied in the production of raw materials. On the whole the Outer Island Chinese were unskilled, illiterate, and transient laborers, having stronger ties with the homeland than had the Javanese Chinese.

The economic position of the Chinese in the Indies was decidedly 563 higher than that of the Indonesians and out of all proportion to their numbers. It was estimated that 10 per cent of the foreign investment [457 (or about U.S.$150 million) was Chinese capital, which in importance ranked second only to Dutch. Of the 354 persons paying income taxes 434 of 25,000 guilders or over in 1936, 288 were Europeans, 60 were Chinese, 651] and only 6 were Javanese. From the social and cultural as well as economic angles the Chinese were essentially a middle-class group. Their position was the object of resentment and jealousy by the less wealthy and less literate Indonesians and was essentially the cause of the early restrictions placed on Chinese activity. Yet because their total did not outdistance that of the native population; because the number of their immigrant workers rapidly dwindled in relation to the native laboring population; because their activities were more diversified and their geographic distribution more widespread; and finally because a great many more than half of the Chinese in the Indies were settled there and had identified themselves more with the islands than with China—more and more privileges were granted to them. In general the fear and competi-

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563 tion which the presence of Chinese caused elsewhere in Southeast Asia were in the Indies steadily diminishing forces.

464 The recruitment of Chinese coolie labor for Indonesian mines and plantations ceased in 1934, and by 1939 of the 332,439 coolies employed on European estates in the Outer Islands, only 26,067 were Chinese and about a third of these were contract laborers. Everywhere in the Indies the floating population of Chinese coolies shrank to insignificant proportions. Because of their superior skills and industry the number of Chinese did not dwindle to such a degree in industrial employment, but even there the proportion was not overwhelming. In 1930 there were about 94,000 Chinese among the 2,200,000 industrial workers of the islands, or 4.7 per cent of the whole. In more recent years after the Centrals, or cooperatives, began to flourish, Chinese contractors tried to set
463 up similar businesses but this attempt met with meager success. In small-scale industry, however, and especially in the weaving branch, the Chi-
288 nese did succeed in obtaining numerous small shops, but in them Indonesians were generally the laborers. Even this penetration aroused
[563] Indonesian nationalists in the *Volskraad* to demand regulations for the control of industrial production, similar to those prohibiting the sale of farmlands to non-Indonesians, but the government took the stand that they were unnecessary as the Indonesian community had evolved sufficiently to look after its own interests. But when an over-rapid expansion in the number of small weaving establishments took place between 1935 and 1940, many of their proprietors were forced to sell out, but not to other Indonesians, who usually possessed neither the capital nor ability to take over. In this way the Chinese became interested in this branch of industry, although they were being displaced in other fields by Indonesians.

178 It has been primarily in the role of middleman and concurrently as moneylenders that the Chinese have flourished in Java. For many years the
442 merchant had no place in the Indonesian community, which was made up
565 of a mass of farmers and a handful of aristocrats. Into this void stepped the Chinese who became the buyers of produce as well as the distributors
426 and collectors of merchandise for European export and import firms. But in almost all these fields the Indonesian, with government aid, was progressively cutting out the Chinese; in consequence the Chinese problem had diminished in the Indies in a manner that exactly reversed the trend elsewhere in Southeast Asia.

167 *Japanese.* In 1930 the Japanese in Indonesia numbered 7,000, but thereafter the tempo of their immigration increased for a few years until it averaged more than 1,000 a year. Most of the newcomers were traders and agents of concerns in the homeland and were very different from the penniless Chinese immigrants whose survival and prosperity in Indonesia depended upon the degree to which they could be absorbed into the Indonesian economic organization and who did not enjoy the legal status

167 of "Europeans." After the government took steps to check all immigration, the number of Japanese arrivals dwindled to a few hundred annually, or less than their annual quota of 800—the number to which all immigrants other than those from China and the Netherlands were limited.

167 563 *Indians.* The Indian component never formed a large element in the Indonesian population, although in the interwar period increasing numbers were arriving, especially in Sumatra, where they worked on plantations or were employed as overseers, clerks, or police officers.

442 443 *Arabs.* Arabs formed the second largest foreign Asiatic group and it was larger than the European community. In 1930 they numbered 71,000, of whom 42,000 lived in Java. Even more intensively than the Chinese, Arabs were engaged in trade and as middlemen. As in Malaya, the country of their origin endowed them with a special prestige in the eyes of the Muslim Indonesians.

Agricultural Labor

241 463 According to the occupational census of 1930 there were in Java and Madura 9.7 million persons gainfully employed. Of these, 62.8 per cent were engaged in native agriculture and market gardening as their main occupation, and 2.5 per cent in cattle breeding. Taking into account undefined allied occupations, probably 69.6 per cent of the male workers in that area were dependent for their livelihood upon agricultural output. Since 1930 this percentage has probably increased. In the Outer Islands at the time of the occupational census the percentages were even more striking: 73 per cent of the working male population was engaged in agriculture and market gardening; 0.25 per cent in cattle husbandry; 0.45 per cent in the collection of forest produce; and 2 per cent in irregular, unskilled employment. If it can be assumed that half of the last mentioned group were engaged in farming, then for 74.7 per cent of the male workers in the Outer Islands agriculture was the main occupation.

241 184 The Javanese cultivator, dependent for his livelihood upon a small patch of *sawah* (flooded fields) and a tiny plot of dry ground, lacked the space to grow extensive crops, and in the past intensive agriculture had often proved all too unprofitable for him. Moreover, marketable crops in Java, such as tea, cinchona and coffee, came from the less densely populated part of the island, so that the average Javanese had to look elsewhere than to estate agriculture for his cash income. On the other hand, the *ladang* cultivator of the Outer Islands, who could use his fields for all types of perennial crops, was able to grow a great variety of commercial produce. Thus the agricultural economy of the main island differed radically from that of the outlying areas.

000 *Java.* Native holdings on Java were very small, amounting on the

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311 241 Java. Native holdings on Java were very small, amounting on the average to no more than 0.9 hectare per landowner liable to pay land tax, and this area included both *sawah* and dry ground. The proportion in which these two types of land occurred on individual holdings was becoming increasingly unfavorable to their holders. Farming *sawahs* still held first place as a means of Javanese livelihood, but the proportion of flooded fields on the whole was declining, fortunately not so much as formerly because of the extensive irrigation works and also because wasteland suitable for cultivation was becoming scarcer and therefore the area of cultivated dry land was also becoming stationary.

427 434 Official statistics were taken by villages but did not take into account individual ownership of land in more than a single village. Consequently more landowners were listed than the number actually in existence. In any case the average of 0.38 hectare of *sawah* and 0.5 hectare of dry land for every Javanese landowner was insufficient to provide for his household needs. Probably a considerable proportion of these native landowners possessed merely a compound from which to derive their livelihood and were obliged to supplement their income in other ways.

134 Two fortunate factors aided Javanese agriculture: one was the fertility of the soil and the propitious climate, and the other was the limited role played by large landed proprietors. Such large landholders as existed were mainly absentee urban dwellers whose properties were principally concentrated in western Java. Many of them were native functionaries who invested their savings in real estate; others were the regents, the landed gentry, and the *hadjis*. Landlordism occurred principally in the malarial districts, which the indigenous population had largely deserted. 425 Its growth was probably favored by the official ruling that after five years' cultivation of a former government coffee plantation the land must pass into the hands of its cultivator and become part of his patrimonial estate. Although such estates increased rapidly, division by inheritance and the wastefulness of heirs were factors tending toward their subdivision. The 563 main obstacle to the formation of large estates, however, was the longstanding law against the permanent alienation of native land to nonindigenous persons, so that transfers of that sort were difficult and could be effected only by devious and irregular methods. The native landed gentry seemed to acquire debts more rapidly than property, and the age-old subdivision of property among many owners militated against the amassing of any large number of adjoining ground plots.

556 427 455 426 Two counteracting factors favored the growth of large estates: one was the belief that ownership of land conferred social standing and the other, that cash income could be derived from extensive production for the export market. In recent years a strong effort was being made by traders and speculators, mostly foreigners, to acquire property or control the marketing of produce. Temporarily these men were willing to retain the local people as farmers but they simultaneously cast covetous eyes

upon the common village lands that were periodically redistributed. The 427
extent to which these speculators were acquiring a lien on Java's land,
especially as the result of moneylending operations throughout the depression, 426
aroused the government to increase its efforts to meet from
official sources the peasants' perennial need for money. It was gradually 455
recognized that the small sums originally loaned to peasants grew rapidly
to disastrous proportions because of usurious interest rates.

The traditional Javanese village had no use for capital, for each family 471
produced with a view to supplying its own very limited needs. Land
ownership was such a community's indispensable basis, but only to the 421
extent that it could be worked by the household, periodically assisted by
village neighbors. Houses, barns, and farm implements were all very 476
simple affairs and were built by the farming family and its fellow villagers.
If a man enjoyed a good income, he was supposed to share it 434
with his relatives and friends, for wealth had primarily a social significance. 454
It enhanced a man's standing only in proportion to the generosity
which he displayed in disposing of it to the needy. Surpluses were not 556
retained as capital but were allowed to accumulate as wealth in the form 735
of foodstuffs, cattle, and jewelry. Paupers could count on help from
their fellow-villagers, with the result that no one was actually obliged to
save. Services were repaid by services rendered or by remuneration in
kind.

Western rule and Occidental economy brought with them the first 437
need and use for money. Taxes had to be paid either in cash or in
labor. The rapidly increasing population exerted an even greater pressure 452
upon the soil's productivity and produce began to be sold outside of
the village for money in order to obtain the new, imported merchandise. 421
Too often the time when the farmer required money did not coincide with the period when his income was plentiful, and, unaccustomed to a money economy, the Javanese cultivator procured loans of cash without seriously taking into account its actual cost in terms of interest. The country was entirely devoid of any organized native credit facilities, and Indonesians were forbidden by law to raise money by mortgaging their lands. Organized popular credit was supplied only by the government and was dependent upon formalities and the ability to furnish security.

On the whole, however, the Indonesian community was probably only superficially affected by the new money economy; during the depression when money became scarce and many wage-earners returned to their villages the rural community was able at short notice to revert to barter—insofar as it was compatible with tax and debt-interest obligations. A certain type of native credit continued to prevail: loans of paddy for sowing were usually payable in doubled amounts at harvest times; money loans were also returned at such times with paddy serving as interest; and other types of money advances were paid either in labor services or in

437 cash at the rate of 100 per cent per annum. Various devices were used to
get around the land alienation ruling: merchants offered pre-payment
452 for crops at a discount; coconut palms and fruit trees were sometimes
421 mortgaged to traders; and alien moneylenders acquired a hold on farmland through a native middleman. Yet despite such incursions of a money economy, the chief desire of the Javanese villagers was to supply their families' needs by running their own farms with as little outside help as possible.

452 The government developed three forms of popular credit to aid the Javanese. About 500 state pawnshops were maintained by a special service in the more advanced areas and they enjoyed a legal monopoly to lend sums against the security of movable property to a total of 100 guilders. The rate of interest charged was regarded as high, but the institution proved useful in a society traditionally prone to keep most of its wealth in the form of jewelry and gold coin. Rural credit facilities were likewise organized. Of these the village granaries (*dessa lumbungs*) loaned paddy free of interest, to be repaid in kind at the harvest, and village banks were set up to make small money advances which were usually returned in ten weekly installments. These two village institutions were under the supervision of the headman, aided by the village scribe and representatives of the borrowers. Such money loans usually did not amount to more than 5 or 6 guilders, and many of them were made to traders and craftsmen. Larger loans were at first organized in the form of Divisional and Regency credit institutions, placed under the guidance of Dutch and native civil servants, but in 1934 they were merged with the Central Bank for Popular Credit and thereafter they functioned only as branch offices. In Java the average loans from this institution amounted to 53 guilders, but in the Outer Islands they averaged as much as 134
[474] guilders. The central institution supervised the operations of the village granaries and banks and encouraged, albeit without great success, the formation of cooperative societies.

474 Such cooperative societies as existed also furnished a certain amount of rural credit. In 1935 they numbered some 300, most of them being
[452] credit institutions; more recent years were marked by a greater development of producers and marketing cooperatives. But by the end of 1939 the number of all such societies aggregated only 560, of which nearly 90 per cent were located in Java; their total membership came to only 52,555 (422 credit cooperatives with 42,807 members). Consumers' cooperatives had declined in importance until they numbered only seventeen in 1939. The thirty-one industrial and agricultural production cooperatives included a variety of enterprises: twelve were for rubber growing; two for the supply of raw materials used in cotton-textile weaving; one for the weaving of fabrics; and one for the operation of a tea plantation. Government aid was confined to an act promulgated in 1915 which gave

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the cooperatives a legal status and to the establishment of a Board in 474
1925, which twelve years later became a Cooperative Service Department with educational and supervisory functions.

Sharecropping was a native scheme of increasing prevalence, designed 427
to solve many of the farmer's problems and well-adapted to the Javanese milieu. This system, whereby an owner handed over a *sawah* to another farmer in exchange for a predetermined portion of the yield therefrom, permitted individuals without enough land of their own to grow a staple food crop without having to become wage-earners and leave their place in the community life. It also enabled the landowners to acquire additional income without losing their property rights. Sharecropping was usually associated with rice cultivation, largely because that crop regularly enjoyed a steady market and its cultivation permitted a man to make the maximum use of his own and his family's working capacities. Both parties divided the risks and were equally interested in the outcome. Sometimes the owner had to come to the sharecropper's rescue by advancing him seed, implements and draft animals, but he usually lived sufficiently nearby to keep tabs on their use and their social level was not so different as to create a gulf between himself and his *métayeur*. The arrangement between the two was always oral and never covered longer than one crop year; the system was never truly commercialized. While sharecropping made two households largely dependent upon the produce of one plot of ground, it served to a limited extent to solve some of the problems created by the rapid increase in Java's population.

Outer Islands. The official answers to Java's growing population 166
pressure were successively emigration to the Outer Island by contract laborers and permanent migration there by settled agricultural commu- 464
nities. The same small percentage of agricultural wage laborers in Java (6.6 per cent of the males gainfully employed on estates in 1930) was reproduced in much the same proportion in the Outer Islands; yet on Sumatra's east coast where two-thirds of them were concentrated the percentage was considerably higher—45 per cent of the 455,000 males there being gainfully employed. In the southern and eastern divisions of Borneo 7.9 per cent of the 277,000 male workers were coolies; in Achin, 7.1 per cent out of 258,000; on Sumatra's west coast, 3.4 per cent out of 491,000, etc. Thus the percentage of coolies in the total male working population of the Outer Islands did not differ sufficiently from the situation in Java to warrant the presumption that the local population could not have supplied all or at least a good proportion of the agricultural laborers required for estate development there. Further, the percentages 464
which were already small in 1930 were subsequently reduced. The total number of wage laborers declined from 354,000 to 219,000 during the de- 461
pression, whereas the population increased as a whole and with it the potential labor force. The explanation was, obviously, that the autoch-

464 thonous population did not desire to hire out its labor for wages and, unlike the Javanese, did not have to do so.

461 Usually all the men who wanted work could easily find it in their own village communities and consequently had no need to seek work on European-owned estates. The abundance of land and the small size of the indigenous population enabled the native farmers to concentrate upon cash crops like rubber and copra. But not all the natives of the Outer Islands were interested in, or capable of, producing for the export market. Borneo's population included a large proportion of wild, itinerant Dyaks, and plantation agriculture was almost nil in the Great East both because of the unsuitable terrain and because the few natives living there were "incurably indolent." Although there existed industrious and literate groups like the Minhassas of Northern Celebes, who were in great demand as clerical employees in business and the government, it was generally true that in regard to quantity and quality the labor supply available in the Outer Islands was seriously deficient as compared with that obtainable in Java.

[465 249] Wherever the Outer Island natives concentrated on commercial crops, production was usually carried on by family labor, although in some instances hired help was employed. Such wage laborers were normally paid according to the share-tap (*paroean*) system, by which the tapper received half the latex he gathered in payment for his work. When prices were low and labor scarce, the tapper sometimes received a larger share, and conversely got less when prices rose. Only exceptionally were share-tappers paid a fixed wage.

167 464 The development of estate agriculture in Sumatra about 1870 required the recruitment of labor elsewhere, at first from China and later from Java. Originally private agencies were the medium used for obtaining Chinese coolies, but gradually recruiting was effected either through the Protector of the Chinese at Singapore or through an official bureau established at Swatow. In more recent years the mechanization of the tin mines at Banka and Billiton curtailed the need for contract Chinese laborers, as it also did in Malaya. By 1939 Chinese contract miners numbered only 309; the trend toward recruiting Javanese instead of Chinese prevailed in the tin industry as it had in plantation agriculture.

Until 1909 the recruiting of Javanese estate labor likewise remained in the hands of professional agents, but in that year planters were encouraged by law to appoint their own agents who were often aided by worker-recruiters, who operated like the *kanganies* of Malaya. The Deli Planters' Association led the way by setting up its own agency in Semarang, and direct recruiting by employers gradually became widespread. Nevertheless competition from professional recruiters remained serious enough so that the two principal estate organizations in 1929 bought out the last surviving professional recruiting office and agreed thereafter to supply

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464 167 [166] laborers to estates who were not members of their organization. The arrangement for a time proved to be largely academic since the depression curtailed drastically the Outer Islands' need for imported labor. By the time recruiting was seriously resumed, Javanese had not only become by far the largest racial group among the contract laborers but were also emigrating as free laborers and forming colonies in Sumatra which went far to satisfy the labor demands of local estates.

464 167 166 Less enthusiasm was shown by Javanese laborers for emigrating to such distant places as Surinam and New Caledonia, for which the contract period was five years instead of three and the health requirements were higher. As a result of negotiations between the Dutch governments of the East and West Indies, the latter were allowed to recruit 800 laborers a year in Java. British Malaya and New Caledonia likewise received permission to recruit a certain number of Javanese workers annually under very specific conditions, but the expense and the formalities involved were such that Malaya found it easier to fill its labor requirements from India, and New Caledonia from Tonkin. Despite the elaborate regulations established by the NEI Government, certain categories of migrant laborers remained outside the scope of its laws—that is, spontaneous emigrants, even if they had in view employment as plantation coolies, and also recruits for employment on native holdings in the Outer Islands covering less than 71 hectares.

166 The official agricultural colonization program in the Outer Islands was designed primarily to help solve the labor shortage there and it was applied, though to a far lesser degree, to Borneo and Celebes as well as to Sumatra. In the two former areas exploitation of natural resources was intensified throughout the last decade, but colonies of Javanese workers did not materialize in those islands until 1937 and 1938. By the end of the latter year some 8,000 Javanese colonists had been settled on Borneo and Celebes, and the official program for 1940 called for the settlement of 19,000 additional colonists on the two islands. However, such experiments were dwarfed by those conducted earlier and on a far larger scale in Sumatra.

As long ago as 1905 a start was made with the establishment of colonists in the Lampongs district of Southern Sumatra. Many difficulties were encountered but these colonists weathered the storm, helped by credit and necessities supplied by the government. In 1908 the experiment was extended to Bencoelen, and later to Sumatra's east coast. The government ably took into account the traditional willingness of the Javanese to migrate in order to improve their status, but also recognized that 2 in leaving their home island they required careful handling and suitable conditions. The Javanese could be induced to emigrate only as a group and not as individuals. They wanted *sawah* land, and there was only a limited amount of arable and irrigable soil in the Outer Islands; new [571]

166 colonists could thrive only under conditions analogous to those in Java. Nor could they be settled if their activities were to conflict with the rights of a rapidly increasing indigenous population.

The Lampongs colonies were moderately successful but by 1927 they comprised only 24,000 members. The fewness of their numbers and the expense involved in their settlement forced the government to seek other means, especially when the depression was rendering Java's overpopulation problems acute. 476 Realizing that the colonists already established in Sumatra required extra help during the harvest, the government selected such periods as the best time to introduce new settlers, and almost at once the traditional Javanese habit of mutual aid operated to the advantage of both groups. Although the initial cost of bringing new settlers to the land remained high, thereafter the expense declined sharply. In 1937 some 4,400 Javanese families were settled in the Lampongs at a cost to the government of only 45 guilders per family, whereas in the 1920's the sum had amounted to 300 guilders per unit. Additional funds were, of course, required to provide irrigation and other types of public works. A more careful selection of colonist material also helped to achieve improved results; candidates were required to be of good behavior, in excellent health, and to be married but with no more than two very young children. These new methods were so successful that colonies were rapidly established in other areas, and the number of emigrant colonists annually settled in the Outer Islands rose from 7,000 in 1932 to 40,000 in 1939. In the latter year there was a total of 76 settlements comprising 164,552 colonists who cultivated an area covering 37,749 hectares.

Handicraft Workers

438 434 The skills developed in the practice of native arts and crafts were probably more important in the training of Indonesia's future industrial laborers than in terms of actual output, though the income derived from them was an important factor in Indonesian household economy. The working of wood and metal, weaving, and batik production were traditional native crafts which survived because of a steady local market in which European goods did not compete.

Cottage industry, strictly speaking, was the non-agricultural output of farming families in their spare time, produced by hand-tools with primitive techniques, and was designed to augment the household income. The industry was almost wholly in the hands of Indonesians and was usually carried on within the family circle. Most of the output was bartered in the family's own village, though a smaller part was sold else- 442 where. Sometimes the raw materials were supplied by a middleman (*bakul*), in which case the article was delivered to him in return for wage payment. Although the sums received by families were individually

small, they formed a not inconsiderable part of the cultivators' income. 434
An analysis made in 1903 of the budgets of five million farmers in central Java showed that an average of 17 per cent of their revenues came from the proceeds realized from the sale of cottage industry and from the raw materials used therein. A more recent investigation indicated that this percentage had been generally maintained, and it has also been claimed that the addition to the national income from this source might be estimated at 110 million guilders annually. Materials and tools used in cottage industry were imported to the annual value of approximately twenty million guilders. 438

Many and varied were the forms which cottage industry assumed. 442
In some instances it was combined with small-scale industry in complex forms. The advantage of such a combination lay in a more efficient division of labor and in the encouragement of collaboration between workers; its main disadvantage was the additional powers it often gave to *bakuls,* who were chiefly concerned with increasing their profits and their hold over such workers.

Industrial

Of the estimated total of about 2,800,000 workers in secondary indus- 464
try in Indonesia, approximately 2,500,000 were engaged in small-scale
enterprises, defined as workshops employing fewer than fifty workers 438
and using hand tools almost exclusively. All but about 100,000 of the
workers in small-scale industry were Indonesians, who worked in small 433
shops located on their own land or on that of the workshop's owner. Probably about half of these workers lived in village communities. In addition, a group of *bakul*-workers, perhaps some 40 per cent of the total, sold their products either wholly or principally to middlemen, while some 15 to 20 per cent labored in hand-operated factories employing not more than fifty workers.

The rapid growth of small-scale industry throughout the 1930's has 474
been attributed both to increasing Indonesian "needs" and to the govern-
ment's encouragement of Centrals, or cooperatives. The success of the 438
Central has been primarily due to its intelligent utilization of two fac-
tors in Indonesian life—the tradition of mutual aid among fellow-vil- 433
lagers and the enlistment of cottage industry's cooperation to meet the peak seasons which occurred after harvest times. Under the guidance of an Indonesian artisan-teacher, members of the Central came to look upon their clientele as members of their community and consequently to assume toward them the same responsibilities in regard to perfect output delivered on time. And by concentrating upon articles for which there was a steady demand throughout the year, the Centrals could relegate to cottage industry the production of merchandise that was either

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474 perishable or subject to the vagaries of fashion and for which there was
an intensive demand after the harvest had placed additional income in
438 farmers' hands.

433 The decade 1930–1940 also witnessed a phenomenal growth in the
number of Western-style factories, independent of those associated with small-scale industry and estate agriculture. In 1930 the total number of mechanized factories came to about 4,800, and four years later they numbered approximately 6,000, with about 300,000 workers.

The government's policy of developing the country industrially is shown even more strikingly if we compare the figures for factories in operation that exclude those connected with agricultural industries, such as rubber and rice, and with transportation—railway shops—and also such small and home industries as most of the textile factories. With these exceptions, the total number of factories on January 1, 1930, was 2,837; on January 1, 1940, it was 4,872, an increase of 71.7 per cent. The war naturally accelerated the industrialization program and in 1940 alone 500 new factories were established, employing some 25,000 additional workers. If the development which occurred in 1939–40 can be taken as a basis, it can be assumed that fully 55,000 workers were being annually assimilated into the factory industry. About 70 per cent of the factories were located in Java, though a few important plants were set up in the Outer Islands. The chief development was registered in the textile weaving and metals branches. An official policy established that none of the factories should be large, and that they should be widely distributed throughout Java, not only because the narrow length of that island rendered transport costs a potent factor but because widespread distribution of employment and output was considered advantageous to the Indonesians from a socio-economic viewpoint.

654 For the growth of industries since 1940 unfortunately no statistics are
available comparable with those quoted above, because in that year the
433 basis for enumeration was changed. There is much evidence, however,
that the invasion of the Netherlands gave great impetus to the industrial
development of her dependencies. The effect was not, however, im-
722 mediate. In the new type of statistics beginning with 1940, only fifteen
new factories are listed for the Netherlands Indies, not including war industrial plants. But the output of existing factories increased substantially. Employment increased by 12 per cent that year, and industrial machinery by 4 per cent. On April 1, 1941, a supplementary budget was approved for the Indies which made government assistance available to industries up to Fl. 10,000,000 (about $5,300,000). This aid did not, however, take the form of cash grants but was to be administered as relief from taxes, duties, ground rents, and other payments. In short, the government encouragement of industry in the Indies was not merely theoretical but practical.

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CONDITIONS OF WORKING AND LIVING

Wages

In the Indies no general minimum wage standards were fixed by law. The coolie ordinance of 1931 required employers to pay their contract workers sufficient wages "to provide adequately for the normal necessities of life." The cost of living was periodically established by the Inspectorate after a careful inquiry into prices. When the ordinance was amended in 1936, it was laid down that overtime work should be paid at 1½ times the regular rate and the manner of payments should be stipulated in the worker's contract. Ordinances covering operations in certain specified industries dealt with pay scales: for example, in the sugar industry the government was empowered to fix minimum wage rates for the lower-paid category of laborers but as late as 1936–37 this authority had never been used. However, at that time employer organizations in Java were obliged to submit regular reports on the wages they paid and these were checked by the Labor Inspectorate.

As in other aspects of working conditions, the wages paid to contract laborers tended to set the standard for free workers, but there was no legal compulsion. In general, wages were lower in Java than in the Outer Islands, and the depression forced down wages there to extremely low levels. Not until October 1936 did the government intervene, and although it requested estates to report on the wages they paid, it continued to regard the wage scale prevailing in state mines as confidential. During the months following the inquiry, labor inspectors reported that little improvement had been made in the wages paid on most estates, so that the government in 1937 circularized the planting community, suggesting that improvement be effected. Its argument was not only that wages should be raised in order to help laborers meet the increased cost of living but that they should reflect the better economic conditions generally prevailing in the Indies. According to a statement made by the Minister of Colonies in the States General in November 1937, a wage increase had been granted amounting to as much as 25 per cent for factory labor employed on sugar estates. But since comprehensive statistics of the cost of living were not available, the real significance of these wage increases could not be estimated. In its report for 1939 the Labor Inspectorate summed up the situation as follows: "Although no report is here given of the intrinsic value of earnings, we may, however, say in regard to wages paid on estates and industries in Java that there are

465 some which anyone with the slightest insight into native living conditions could see are no reasonable compensation for the labor accomplished, especially considering the long hours involved."

458 Any discussion of wage-paid labor in the Indies necessarily concerns only a very small part of the working population, inasmuch as fully 70 per cent of the Indonesians farmed their own small plots and raised only about enough crops to assure their families' survival. And even for wage-paid employees the data available on earning power are fragmentary. It can, however, probably be safely assumed that the low wages prevailing throughout the depression period would have affected the population more disastrously had not the cost of living also dropped at about the same time. In Batavia, the only city for which cost of living indexes were issued, the fluctuation in living costs ran as follows: 1929–100; 1932–52; 1936–49; 1937–52; 1939–53; 1940–55; 1941–61. The reduction by more than a third in the composite index for Batavia between 1929 and 1932 was smaller than for food prices alone, which declined by about half during the same three years. In 1936 before the currency was devalued in September, the cost of living index reached its lowest point. Thereafter, under the stimulus of devaluation, improved trade and world rearmament programs, the cost of living rose slightly, and official pressure effected some proportionate improvement in wages, ranging generally from 10 to 30 per cent. The outbreak of the Second World War started living costs rapidly on an upward spiral.

Wages for Agricultural Laborers

464 Agricultural workers who were paid cash wages constituted not only the smallest portion of those engaged in farming, but the best-paid members
465 of this group were concentrated on the Outer Island plantations. However, by no means all of the estate workers were full-time, cash-remunerated laborers. This was particularly true of Java. The sugar industry, for example, employed skilled workmen such as overseers throughout the year; a second group was made up of seasonal hands—factory coolies, garden watchmen, etc.; and the third group consisted mainly of field laborers who worked irregularly and on a piece basis. The last-mentioned group differed from its colleagues primarily in that it remained an integral part of the village community and worked only as much or as little as was required to gratify its few pecuniary needs. Any wage, however small, was acceptable to workers of this group if they needed money, and conscientious scruples on the part of the individual plantation management were the only factor determining the minimum wage paid to them. In the returns for Java in the occupational census of 1930 it was revealed that only 6.6 per cent of the men and women were then reported as gainfully employed in agricultural enterprises,

that is, as receiving wages from farming as their main occupation. Thus 465
wage-earning on European-type estates in Java occupied a very modest 464
place in the island's agricultural economy, and in the comparatively prosperous year of 1930 the total number so employed did not amount to even five times the average yearly increase in Java's population.

Wages fluctuated so greatly, even for the same type of work in various 465
regions, and all such data are so fragmentary that it is difficult to picture the wage scale as a whole. The lowest daily wage paid in prewar years to agricultural laborers seems to have been a tenth of a guilder, Bantam being the only area where male workers received such a sum for the preparation of copra. In Buitenzorg Residency the same pay was earned by women and children employed part-time in the local tea gardens. A slightly higher wage—G. 0.12 a day—was paid to women preparing cinchona in West Java and also to women rubber tappers in the Buitenzorg area, but women tea sorters in that same Residency received from G. 0.12 to G. 0.15. In general, men received higher wages for the same work than did women, male preparers of cinchona bark in West Java earning G. 0.23 a day as compared with G. 0.12 for women. Male harvesters in that same region were paid G. 0.35 as compared with G. 0.23 for women. In factories processing agricultural products, wages tended to be higher than in direct cultivation. Male workers in Buitenzorg tea factories were paid G. 0.30 to G. 0.45 a day depending on skill, and male clerks and foremen received a daily wage of from G. 0.50 to G. 0.80. Wages for carpenters, truck drivers, and masons ranged between G. 0.60 and G. 1. In computing the real earnings of agricultural laborers, however, account must be taken of certain perquisites and supplements. Some such workers received part of their wages in kind and in some instances free housing, medical care, and a daily meal, in addition to entertainment, were supplied by employers.

For the Outer Islands more information is available on wages paid. In 1939 the wages established or recommended by the DPV and the AVROS on their own estates or on those affiliated with them, fixed G. 0.32 and G. 0.27 as the basic daily wages for male laborers. These earnings were slightly higher than those established for contract workers, because of the requirement for employers of the latter group to pay wages for two monthly holidays and for the religious festivals specified in the contract. Overtime was usually paid at the rate of G. 0.6 per hour for men and G. 0.5 for women. Entertainment, such as shadow-plays and movies, were provided by most estates in North Sumatra but to cover the cost, G. 0.10 and G. 0.25 were often deducted from the laborers' monthly wages; some of the larger plantations provided such recreation gratis. It was not customary for estates to charge laborers a 871
fee for the education provided their children, but many of the estate
schools which had been closed during the depression were not reopened, 465

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pending a decision by the government to grant subsidies for such facilities.

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The manner and timing of wage payments for penal sanction workers were itemized in their contracts. New contract laborers were usually given an advance on their wages ranging from G. 0.50 to G. 2.50, repayable in installments of 2 to 5 cents. Contract workers were usually paid monthly; piecework wages were normally paid either by the day or week, and only exceptionally every fortnight or after the accomplishment of a task. Generally speaking, the pay system varied with the nature of the work. Tea and coffee pickers were usually paid by the day; rubber tappers every ten days or two weeks, and in their case it was customary to advance half a month's pay on their average earnings; workers on cinchona estates were paid every fortnight; and harvesters of sugar, fibre, kapok, and cassava crops were paid daily. Sometimes wages were paid by members of the estate staff, and in some cases by the contractor. The Labor Inspectorate was particularly vigilant in instances which involved the deduction of fines from wages.

The report for 1939 by the Labor Inspectorate gives the following wage rates for certain geographical areas in the Outer Islands and for certain industries in Java and Madura:

Outer Islands

West Coast Sumatra: G. 0.30 for men; G. 0.25 for women; a raise of G. 0.03 for re-engagements.
Djambi oilfields: minimum wages, G. 0.35 and G. 0.45; a raise of G. 0.05 twice every five years.
Bencoelen: G. 0.32 for men; G. 0.26 for women.
Palembang: G. 0.36 for men; G. 0.29 for women.
Lampongs: G. 0.33 for men; G. 0.25 for women.
Banka and Billiton mines: G. 0.55 at Banka; G. 0.67 at Billiton.
Riouw and dependencies: the same as the average level in Sumatra.
East Borneo: the same as the average level in Sumatra.
South Borneo: on agricultural estates, G. 0.27 for men and G. 0.22 for women, with a daily G. 0.03 premium; rubber tappers made a monthly premium ranging from G. 0.60 to G. 1. No uniform system of holiday pay and no pay for rainy days' unemployment.

Java and Madura enterprises

Batik: men earned G. 0.18-0.42 for a working day ranging from 7½-11 hours; women earned G. 0.04-0.10 for a working day ranging from 7½-9 hours.
Biscuit factories: G. 0.18-0.20 for men, and G. 0.15-0.18 for women, for an 8-9½-hour working day.
Bakeries: G. 11-18 a month, the working day averaging from 9-10 hours. For minor work in this industry women received G. 4-10 monthly.
Cassava flour mills: male workers received G. 0.15-0.25 for a 7½-10 hour working day.

Printing shops: men working in European-type shops as compositors and printers received G. 0.34-0.45 for an 8-9½-hour working day. In Asiatic-type shops wages ranged from G. 0.25-0.85 for an 8-9-hour working day.

Metal industries: skilled workers received G. 0.60-0.80 for a 9-hour working day.

Rice mills: in milling work men received G. 0.20-0.30 a day and women G. 0.10-0.20 for the same length of working day of 9-10 hours. Workers engaged in sorting, drying, and storing paddy earned somewhat lower wages.

Cigar factories: men and women workers both earned G. 0.18-0.37 for a 7-9½-hour working day. Laborers in cigarette factories received somewhat lower wages.

Candy factories: men earned G. 0.20-0.38 and women G. 0.15-0.18 for a 9-hour day.

Tile and pottery factories: men received G. 0.30-0.60 for a 7½-9-hour working day. Women received somewhat lower wages.

Textile factories: men and women weavers both received G. 0.14-0.32 for an 8-9-hour day.

Soap factories: male soap makers received G. 0.30-0.40 for an 8½-9½-hour day. Male packers received G. 0.16-0.25 for the same length of working day.

In the section of cottage industry controlled by *bakuls*, the sums earned were so unbelievably small that they could hardly be termed wages; rather they were simply spare-time contributions to the family exchequer. Although earnings wherever cottage industries were allied to the Centrals were also insignificant, they still compared favorably with what was derived from cultivating the soil. Wages paid in small-scale industry were, in general, appreciably higher, although they varied greatly according to the industry and the locality. In the Centrals and in the new industries established during the 1930's, wages ranged from G. 0.3 to G. 0.10 an hour whereas in the *bakul*-controlled enterprises they amounted to only about half these sums.

Only factory workers might have been considered genuine wage-earners among the Indies' industrial laborers. Although the complete totals of wages and salaries paid in industry are not known, the amounts paid out in 1940 by a large percentage of the factories (employing about 146,000 workers) have been published so that a general estimate of the wages earned per worker is possible.

In any general consideration of the factory wage problem, it should be taken into consideration that there were considerable variations according to the industry, the racial group involved, the skills required, and the location of the enterprise. Printing presses, electrical power stations, and various machinery plants had a high proportion of the better-paid European workers, whereas textile factories used many Indonesian women workers who formed the lowest-paid group of all. On a geographical basis the lowest pay rates were found in the Djokja dis-

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465 trict in Java. Overtime pay was not uniformly regulated; in some cases no extra payment was made; in others, regular hourly rates were earned; and in other instances the overtime rate was as much as 1½ times that paid regularly by the hour. In some industries workers were paid by the day, but in the larger enterprises usually once a week. Piecework laborers were paid either by the day or after the completion of their task. A certain category of workers was paid by the month. In general, payment was less regular in the smaller establishments. In the batik industry, for example, wage payment often depended upon the sale of the products. Usually it was the manager or the factory owner who made the payments to the workers.

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TABLE V: YEARLY INCOME OF NEI INDUSTRIAL WORKERS, 1940 [*]

Groups	Number of Workers (Jan. 1, 1941)	Estimated Average in 1940	Wages (in 1,000 G.)	Wage in Guilaers [†] per Worker per Year
Preserves, starch, rice mills, foodstuffs, soft drinks, vegetable oil, etc.	40,918	38,000	7,[illegible]5	202
Alcohol, ice, gas, soap, shoes	7,665	7,120	2,149	302
Rubber, woodwork	19,797	18,420	4,461	242
Dyes, chemical, zincographic, limestones	20,108	18,690	6,524	349
Iron, steel, press work, repair, and other metal constructions	58,283	54,600	22,734	416
Total	146,771	136,830	43,533	318

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[*] Sitsen, P. H. W., *Industrial Development of the Netherlands Indies*, New York, 1942, p. 43.

[†] A rough calculation made in 1941 indicated that the purchasing power of a guilder in the Indies, in terms of farm produce, clothing, fuel, and other necessities, was about equal to that of two U. S. dollars.

466 Since the NEI Government had introduced no general system of paid vacations, family allowances, or social insurance other than workman's compensation, the laborers lacked assured supplements to their wages. However, certain employers made grants or gave pensions. Specifically, the enterprises affiliated with the Java Sugar Employers' Organization, some of the railroad and tramway companies, the Bataafsche Petroleum Maatschappij, and a few other firms provided their employees with pensions and initiated some relief measures for their old employees—but not usually for their coolies. Savings funds were not infrequently established, but some of them were so badly managed that the Labor Inspectorate advised their discontinuance.

Hours

In Java and Madura the working day on estates did not exceed ten hours, and that maximum was reached only during periods of peak production. Normally work hours ranged widely from four to ten. Rubber tapping, for example, occupied from five to seven hours of the laborer's day. Rest periods were commonly granted but there were no regular holidays except those usually given at Lebaran. 466

In the Outer Islands the maximum number of working hours, rest periods and holidays were legally established only for contract workers. This type of laborer was ordinarily entitled to two rest days a month; free laborers usually enjoyed the same respite though they were not guaranteed it by law. Most of the agricultural enterprises kept to a nine-hour day. The majority of industrial establishments in Southern Sumatra maintained an eight-hour day, though the Labor Inspectorate reported two factories there which observed a ten-hour working day in 1939.

Only fragmentary information is available in regard to working hours for industrial laborers; a few clues to the situation prevailing in the various industries are given in the table under the wages section. So much employment was irregular that it is very difficult to generalize; Javanese cigarette workers, for example, were employed on an average of not more than 800 or 900 hours in a year. By the Industrial Cooperation Act of 1940, hours in wartime were limited to nine in any consecutive twenty-four-hour period.

Absenteeism, a charge frequently leveled at the Oriental worker, seems to have been justified in the Indies only in the case of the occasional laborer. Generally speaking, it was not prevalent among the regular labor forces which were dependent upon wage income, nor was it widely found in small-scale industry. An investigation of 300 small weaving establishments made at Madgelaja (Java) showed that, although the weavers worked on an average of not more than 6.4 hours a day, absenteeism was not serious among them. In the first spinning mill established on Java in 1937 absenteeism, exclusive of sickness or accident, amounted to only 3 per cent in 1940. However, absenteeism has been used by employers as an excuse for keeping down the wage level. In general, where it was used it was attributable to the Oriental's precapitalist psychology of expecting a large number of holidays. It derived from the weak physical stamina of many Javanese laborers, who suffered from chronic undernourishment and who kept working for more hours a day than the average European. And it also was connected with the multifarious domestic tasks performed by Indonesian laborers, especially the women, in addition to their wage-work. On the whole absenteeism was not related to wage scales—rises being so small and part-time work so prevalent that money earned did not constitute a major factor in this aspect of the laborer's attitude. [461]

466 *Health and Safety Regulations*

As regarded health and safety, working conditions were better for contract than for free laborers, and were consequently of a higher standard in the Outer Islands than in Java. In the latter area not only were employers bound by no legal requirements, but so many of the workers were seasonal that any improvement in their health would have had to be extended over a very large proportion of the total population. Although many of the free workers in the Outer Islands enjoyed the same medical care as did contract workers, it could not have been rightly claimed that high health standards were maintained for the bulk of Java's workers.

466 744 In the case of penal sanction laborers, employers were legally obliged to provide them and their families with free medical treatment and care in hospitals if necessary. During the time a laborer was hospitalized he and his family were entitled to food free of charge. Most of the estates employing free laborers pursued the same policy not solely out of humanitarian considerations but also from economic motives. The enormous improvement effected in health standards noted on estates since the beginning of this century was due not only to official pressure [165] but to the planters' practical initiative and foresight. Systematic efforts were made by the Health Service established by the planters' associations to such good effect that the death rate among laborers in 1938 had been reduced to less than eight per 1,000. It was calculated that although their health services cost the planters' associations about G. 1,357,000 yearly per 100,000 workers, the reduction thereby effected in labor costs alone amounted to approximately G. 670,000 for the same period and number of laborers.

[742] The Indies' estates put to amazingly fruitful use the advances made throughout recent years in the control of tropical diseases. Particularly notable was the work of East Sumatra's Pathological Laboratory, which was maintained by the Medan Planters' Associations at an annual cost of about G. 100,000. As a result of such intelligent work the laboring population there, which had formerly been ravaged by disease, was probably as healthy as that of any group of workers in Europe.

Small estates and workshops naturally did not give the same medical care to their employees as did the larger enterprises. They could not emulate them in maintaining hospitals, though a number of medium-sized estates subscribed to a group hospital system similar to those in Malaya. Some of the enterprises located near towns were able to send their workers to the urban hospitals. But everywhere, even on the small estates, simple remedies were given out gratis to workers. While full or part-time wages were normally paid to laborers who had suffered accidents during the course of their work and compensation usually took

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the form of cash or rice, illness or accidents not occurring during working hours were not usually compensated for. The Labor Inspectorate was striving to improve and standardize the treatment of laborers in this respect, but it encountered a serious obstacle in the workers' dislike for and distrust of Western medical science.

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The Inspectorate had authority to control only the general hygienic conditions prevailing in factories and workshops: the special Safety Control Service, which was also a part of the Labor Bureau, was entrusted with more specific tasks. The Safety Service was one of the oldest departments in the NEI Government, having been in existence since 1852 and having to its credit an admirable record in regard to the prevention of accidents in factories. Its officers dealt not only with the inspection of boilers and steam engines but also with enforcement of the Safety Regulation of 1910 which applied to electrical installations and factories involving dangerous processes. Generally, machinery was well guarded and safety posters were widely displayed, according to the testimony of an ILO representative in 1938.

According to the reports of both labor services, health and safety conditions varied greatly; they were usually found to be satisfactory in large undertakings but deficient in the smaller establishments. Provisions for light were lacking, notably, with consequent eyestrain prevalent among the workers, and washrooms were reported by officials given to understatement as often leaving much to be desired. When labor officials felt that conditions called definitely for improvement they reported the matter to the government which then could take drastic action, such as withdrawing the establishment's operating license. Here again, however, lack of workers' cooperation proved a handicap. Many cases were reported by officials where workers refused or neglected to wear such protective items as masks and dust glasses even when they were provided by the plant's management. Legal authority did not exist whereby wide and uniform reforms could have been effected.

Workmen's Compensation

By a law of May 23, 1939, employers were made liable for compensation for injury sustained by laborers working in establishments using one or more power tools; workers using poisonous gases, chemicals, or explosives; engaged in generating or distributing electricity; loading or unloading; in mining; transport, except at sea; construction; forestry; radio; and mechanized farming. Government employees, home workers (with certain exceptions), and a few other categories of working people were excluded. Benefits included transportation either to the injured worker's home or to a hospital, and medical care lasting for at least a year. Cash payments for temporary disability amounted to 80 per

466 cent of the worker's wage for each day of disability for a month, excluding Sundays, after which the worker received half of his daily wage. Compensation for total permanent disability varied from 1.5 per cent to 37.5 per cent of the worker's wage for each day of disability, according to the extent of his injury. If death ensued in consequence, the funeral expenses and a survivors' benefit were to be paid by the employer.

In calculating cash benefits, workers' wages in kind were converted into money; at the prevailing local prices, and they included cash wages. The compensation accorded to injured seamen was also at the employer's expense, and was covered by a ruling of September 10, 1940. The terms provided by this law were slightly more liberal than those prevailing for *terra firma* laborers.

Housing

As in so many other aspects of labor problems, the law intervened only to assure suitable housing for penal sanction workers. The employer had to supply such laborers with free accommodations, and after five years' service workers were entitled to be provided with separate or semi-detached cottages. Although this was never legally required of employers of free laborers, the general trend throughout the 1930's was for their barrack-like lines also to be progressively displaced by the cottage-type of housing. In 1938 it was estimated that approximately a fourth of all the estate workers were living in cottages, whereas two years before there existed only 12,164 cottages for one family, 15,339 for two families, and 514 for three families. The rapidity with which this housing policy was adopted by planters was due to their general recognition of its importance as a factor in inducing workers to remain on estates and in increasing their general health and efficiency. In Java and Madura employers were under no obligation to provide their workers with housing, though it was voluntarily provided wherever employers were determined to retain a nucleus of their best laborers.

[362] In 1939 the Labor Inspectorate reported that large urban industries usually did not provide living quarters for their employees. In the case of small industries, whenever free housing was provided it was usually poor and little stimulus to improve their living quarters came from the workers themselves, who were quite accustomed to unhygienic surroundings. Moreover, many employers in Java dealt only with seasonal and occasional labor, and consequently were not eager to spend money on providing housing for such transients. In trying to improve workers' housing, the Labor Inspectorate acted in cooperation with the Public Health Services.

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The Employment of Women and Children

A large proportion of the gainfully employed women of the Indies 462 were engaged in cultivating the soil and in cottage industries. In secondary industry they were thought to have numbered about 600,000, 464 about a fourth of all the workers engaged in factory labor. In tobacco factories they were employed to the extent of 39 per cent of all the workers and in the textile industry they supplied 34 per cent of the laboring force. Where women's wages could be compared with men's for the same type of work, they were almost invariably lower.

Child labor (defined as employment of children under 12) was found 464 to exist in various enterprises in Java and Madura, usually in the form [883] of assistance to the parents. Adolescents between the ages of twelve and sixteen frequently were employed in factories and estates. In the statistics given for factory workers, in the years immediately preceding the war, probably a large number of apprentices was included, since the era was one of rapid industrial expansion. Although their exact number was not known, it has been estimated that from 10 to 15 per cent of the total were boys and girls under fifteen years of age, a considerable proportion of whom probably worked within the family circle. Taken in conjunction with the income earned by women, the joint wages of the female and adolescent component of the population must have formed a fairly sizable contribution to Indonesian family revenues.

Restrictions were first placed upon the employment of women and children in 1925. Thereafter it was forbidden to employ women, and children under twelve years of age, during the hours between 8 P.M. and 5 A.M., except in conformity with the exceptions officially granted for certain enterprises with special requirements. An ordinance of 1930 made sixteen the minimum age of employment for work in underground mines. Child labor was also forbidden in factories where power-driven machinery was used; in workshops habitually employing more than ten persons; in construction work; on railroads and tramways; and in dock work and warehouses. The NEI Government also applied the ILO Conventions relating to the age of admission to the employment of young persons at sea and as trimmers, and relating to the medical examination of young persons working at sea. The only objection offered by the Labor Inspectorate concerned the employment of young persons in tasks beyond their strength. According to its most recent report, the Inspectorate noted a decline in the number of cases where child labor was illegally employed in the Indies, that is, in 1.9 per cent of the undertakings visited in 1939 as against 3.8 per cent in 1938. Women could be legally employed on night shifts during the rush season in certain industries. In 1939, for example, 69 per cent of the sugar factories employed women to work at night. According to the Inspectorate's report.

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464 the total number of night hours worked by women in Java during 1939 was 452,129 as compared with 424,482 the preceding year.

Unemployment

[466] In the Indies, as elsewhere in colonial Southeast Asia, unemployment relief measures were generally confined to depression periods and to the European element of the population. Contract workers enjoyed security for the term of their engagement and were entitled upon its expiration to free repatriation. Discharged free laborers were usually absorbed by their native communities. In their case the government intervened only insofar as it curtailed immigration; it also set up vocational and technical schools, launched an industrialization program, and entered into world agreements regulating the export of some of its main products.

[458] The marked prosperity enjoyed by the Indies during the 1920's was followed very swiftly and acutely by depression, since the islands' economy
166 was then largely dependent upon the sale of their produce in foreign markets. By 1931 there was considerable unemployment among both
464 Europeans and natives. Among the latter were thousands of contract workers who were repatriated to their homes and additional thousands of free workers who likewise returned to their villages. In fact the stream of unemployed which flowed back to the rural communities became such that the government feared it would flood even the traditionally self-sufficient Indonesian village, especially as the districts to which most of the workers returned were those which were already the most densely populated. But when even the poorest villages seemed able to absorb the influx without apparent signs of congestion, the government concentrated its few relief measures chiefly on that element of the population legally classified as Europeans.

464 The employment agencies established under government subsidy in the 1920's became more active during the depression but were never very effective. The number of persons registered with them was not large in relation to the total population or even to those unemployed. In one of the worst years, 1934, the total listed by the agencies as unemployed amounted to only 39,039. Government workers formed a very large proportion of the registered unemployed, accounting for 6,270 out of the 19,233 applicants reported at the end of 1939. Skilled manual workers came next in order of numerical importance, with a total of 3,676 registrants at that same time. But very few of those registered were placed, ranging from only 14 per cent of the total in 1934 to 20 per cent in 1940. It is interesting to note that the percentage of native applicants for jobs was generally much smaller than for Europeans, and that the rate of placement for the comparatively few women applicants was far larger than for men.

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In addition to the legal restriction placed upon the entry of alien Asiatics,[1] two other measures were passed in 1932 affecting transient workers. The first established the right of discharged European employees to repatriation at the employer's expense or to a month's salary. The second measure regulated dismissal notifications for employees on indefinite contract, the time period required depending upon the length of service already given. In 1935 restrictions were placed upon the immigration of Europeans into the Indies; thereafter employers desiring to hire European immigrants had to obtain a permit before their prospective employees could enter the country. And such permits were refused if an unemployed Netherlander could be found on the spot to fill the position. In 1937 this regulation was strengthened and extended to cover non-indigenous Asiatic immigrants. 464 167

Other types of government action in regard to unemployment included the establishment of an officially controlled and financed organization called *Maatschappij voor Werkloosheidsbestrijding* (MBWM). A public works program was initiated but limited to European unemployed and to Asiatics legally assimilated to Europeans. In general, direct relief measures were regarded by the NEI Government, as they were in Malaya, to be the province of private benevolence.

4

LABOR LEGISLATION

In 1854 THE PUBLIC SALE of slaves became illegal and provision was made for the gradual abolition of slavery, beginning about 1860. The progressive elimination of debtor-bondage throughout the archipelago was initiated in 1872. But a more modern form of encroachment on personal liberty began at about the same time, originally in the guise of regulating domestic service. A police ruling for Soerabaja in 1829 endowed masters with legal powers over their servants through the imposition of a penalty for the non-observance of agreements, and by 1851 this penal sanction had been extended throughout most of Java and a part of the Outer Islands. 567 357 686

Almost thirty years later a shifting emphasis in the form of labor control had occurred through the development of the underpopulated Outer Islands by workers imported from other areas. It was at first concentrated on the Chinese coolies brought in for work on tobacco plantations in East Sumatra, and later it was applied also to Javanese coolies im- 466

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[1] See p. 127.

466 ported for the development of the Outer Islands' export crops and industries. Successive coolie ordinances, promulgated in 1880, 1884 and 1893, gave employers effective legal control over their imported labor forces. Contracts providing for free transportation, housing, medical care, and the regular payment of wages were limited to a three-year period, at the end of which a coolie might sign for another period or be gratuitously [686] repatriated to his native village. The terms appeared to be fair enough and to offer some slight relief for Java's surplus millions, but the growing opposition to them centered around the penal sanction by which, if a contract laborer refused to work or ran away from his job, he could be fined or imprisoned—the latter being usually the case because of the coolies' obvious impecunity—and then sent back to work off the balance of his term on the plantation.

466 686 166 The controversy which raged around the penal sanction began in 1900. Though it was not finally resolved until the 1930's, the government, embarrassed by criticism both at home and abroad, began to modify the sanction in 1909 by progressive restrictions imposed upon the recruitment of coolies under contracts involving the penal sanction. The arguments generally used in favor of its retention were several. It supported Dutch claims to the Outer Islands by insuring their development, which could not be accomplished by the indigenous population. Since the great mass of Indonesians were of little account as taxpayers and the estates very much so, both the treasury and the people stood to benefit by a government with plenty of funds to dispose of. Emigration to the Outer Islands helped to solve Java's increasingly acute overpopulation problem, and moreover, the removal of some of its manpower would produce a favorable reaction on Java's labor market. The Javanese regarded penal sanctions as natural because they were accustomed to the investiture of the master-employer with punitive powers. The penal sanction rested upon a contractual agreement freely entered into by the coolie. The entrepreneur had made sacrifices to bring the laborer to his plantation and was therefore entitled to be guaranteed against his decamping without recompense. If foreign capital were not given every possible assurance of making profits the NEI Government would have to renounce its Open Door policy and the pecuniary benefits therefrom. And finally, newly engaged Javanese (and Chinese) coolies were not yet sufficiently mature to work under private agreements and the penal sanction provided a salutary and educational discipline.

The main arguments for abolition of the penal sanction were the following. The wisdom of forcing the development of Western enterprise in the Outer Islands by such artificial means was dubious, especially in view of its probable disturbing effects upon the indigenous peoples and of the many current instances of world over-production. Western enterprises were prone to demand an expensive government, whose support

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would be largely shouldered by the native population. Coolie emigration 466
to the Outer Islands afforded little relief to Java, where the annual
increase in population amounted to about 600,000 and whither coolies 686
were repatriated when depression conditions struck the export industries.
Contract coolies who returned to their homes found it hard to 166
adjust to village life and formed centers of nefarious discontent. If the
penal sanction were abolished, employers in the Outer Islands would be
compelled to break with the recruiting system and offer working conditions
that would tempt the indigenous population to labor for them. A
tractable, docile labor force like the Javanese should not be subjected
to control by youthful Europeans who were too often enervated by the
climate and abused their power. Basically the coolie did not enter
freely into his contract since it was well known that the Javanese never
accepted wage labor except from dire economic necessity. The relations
between employer and employee created by the penal sanction were
unworthy of free men, demoralizing to both parties, and made virtual
slaves of the laborers. And finally, the penal sanction weakened the
international position of the government by giving foreign critics ammunition
as well as opportunities to create difficulties for the regime
and for its export trade.

Gradually abolition of the penal sanction gained headway, thanks to
the ethical policy of the Dutch liberals, the depression which reduced 466
the demand for laborers, the success of agricultural colonies in the Outer
Islands which increased the local supply of free labor, and, finally, a 686
proposal made in the United States Congress to exclude Sumatra products
from the U. S. market because they were produced by forced labor. In 1931 a measure became effective whereby the older enterprises were required to reduce the proportion of contract coolies in their employ to 50 per cent within five years; the cases to which the penal sanction was applied were limited; and re-engagement contracts were declared to fall outside its scope. A fresh order in 1936 hastened abolition of the penal sanction. According to its provisions no laborers working under the penal sanction might, after January 1, 1940, be in the employ of any concern established before or during 1921 (which included the majority of enterprises operating in the Outer Islands), and estates dating from 1922–1927 were required to abolish the penal sanction by 1941–1946. In October 1939 an ordinance was issued requiring abolition of the penal sanction in all contracts of re-engagement, the reduction to two years of the limit of labor contracts including such sanctions, and the restriction of the system as a whole to agricultural and industrial undertakings. When the Second World War broke out, the number of employees subject to the penal sanction came to only 6,531 as compared with 327,405 non-contract workers, and in November 1941 the Governor General was able to announce the system's total demise as of January 1, 1942.

[686] 466 464 166

One contradictory consequence of the labor contract system was that the standards set for that category of workers became generally higher than those for free labor, and the latter's great advantage come to lie simply in its freedom from the penal sanction. The methods of recruiting contract labor were revamped and its working conditions steadily improved. In 1936 more specific regulations affected the drawing-up of contracts. Thereafter all contracts had to be signed in Java; the prospective employee was required to appear armed with a permit of emigration from his village headman (*loelasns*) at the port of embarkation; and married women emigrating without their husbands had to have a special certificate of authorization. At the port of departure the recruit was required to sign a written contract under the eye of an official, who twenty-four hours before had read and explained its terms to him. Any worker refusing to sign had to be repatriated at the expense of his prospective employer or the recruiting agency. All recruiting operations were now in the hands of employers' associations which had been approved by the Department of Justice. In 1939, 25,347 laborers were recruited for work in the Outer Islands. Estate employers' organizations were not allowed to receive any remuneration for this type of work, and their native agents were not permitted to operate in a region to which they were not indigenous. Recruiting agents were required to maintain transit camps both in the interior and at the port of embarkation. There, candidates' fingerprints were taken, medical examinations given, and new clothing was presented to recruits emigrating for the first time. In 1939 the comparatively small number of recruits rejected on grounds of physical debility indicated a better selection of candidates at the hinterland depots.

466 Legally, free laborers were not entitled to the same protection as safeguarded the contract worker, although in practice the standards set up for the latter tended to prevail for the former category. In Java, particularly, no such regulations existed for the protection of local workers as existed for their compatriots working under contract in the Outer Islands. Although a labor inspectorate functioned in Java, its staff was small, its work complicated by the great number of scattered enterprises, and its effectiveness based on its powers of persuasion and suggestion rather than on law enforcement. In recent years the reports of the Labor Inspectorate on the whole commended the working conditions on the large estates and in big industries, but were much less favorable to small enterprises. Labor inspectors in Java were hampered by the fact that the workers there seldom lodged complaints or would give any relevant information even when undesirable conditions were found to exist. Javanese workers were not as yet well enough acquainted with the service to trust it completely. The Inspectorate received many anonymous letters, usually from coolies in urban industrial enterprises who

466 complained chiefly of long working hours and arbitrary fines. In 1939 only 115 cases of undesirable working conditions were brought formally to the attention of the Java Inspectorate—chiefly "slap-cases"—so the Inspectorate concluded that maltreatment on that island did not assume alarming proportions. In the Outer Islands the substitution of free for contract workers was regarded by the Inspectorate as responsible for a reduction of bad treatment and absenteeism, and the chief complaints to the Inspectorate there were in regard to personal violence, failure to pay wages in full, and excessive prices prevailing in estate stores.

464 By the Ordinance of December 17, 1925, the NEI Government gave effect to the ILO Convention relating to the employment of women and children at night, subject to certain reservations. The local government also applied the conventions regarding the age of admission to employment at sea, that of young persons as trimmers or stokers, and medical examinations for adolescents working at sea. Employment in the tin mines of Banka and Billiton, in great majority of Chinese coolies, was carefully regulated by the ordinances of 1927 and 1932, and some additional legislation in regard to mines was also issued. The Safety Regulations of 1910 applied to electrical installations and to factories involving dangerous processes.

466 Apart from such provisions there was no further regulation of industrial employment. Hours of work were not regulated by law and, with the exception of workmen's compensation for accidents, there was no public social insurance protection for Indonesian workers prior to the outbreak of the Pacific War. The question of establishing old age pensions and unemployment insurance for wage-earners was under discussion for some time but no action had been taken. Such protective systems as existed were for government workers and employees of private enterprises which had of their own volition set up insurance projects. It should be noted, however, that in the Indies as everywhere throughout the Far East health standards and minimum wages and hours were more satisfactory in the large European enterprises and were far harder to establish and enforce in small scattered undertakings with fragile capital structures and a majority of part-time workers. Also there was little incentive to improve working standards in a country where concerns offering the lowest wages and most unattractive working conditions were able to obtain almost all the labor they ever required.

Prior to the depression, government intervention had been largely 656
negative, and the most constructive of its efforts was the prohibition,
dating from the latter part of the nineteenth century, of the sale of native 421
lands to non-Indonesians. Other early government action had been confined 471
to regulating the ownership and control of such enterprises as
public utilities and of certain estates and mines. And in the 1920's 468
official control continued mainly to be repressive: for example, its curtailment of unionization and the severe penalties imposed upon strikers.

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[600] 654 tailment of unionization and the severe penalties imposed upon strikers. But the depression and later the war greatly increased government enterprise and intervention. The government's policy of industrializing Java, as discussed above, affected the island's working population and the Second World War ushered in a great many more measures, which had both direct and indirect consequences for labor.

[435] 722 466 In September 1939 the prices of a number of commodities were fixed, although a stringent control of all domestic price levels was not considered necessary up to the time of the Japanese invasion. The government bought and stored some surpluses which had accumulated, owing to the enforced curtailment of the export trade. A General Authorization Ordinance of that same month empowered the Governor General to promulgate any law necessary for the defense or economic mobilization of individuals, groups, or industries during the emergency period, and toward the end of the year a draft project was completed for the establishment of labor rules in industrial enterprises. When the Netherlands fell in May 1940, martial law was declared and two other ordinances were issued, one of which related to the mobilization of industry and the other to the institution of compulsory service by civilians.

According to the Industrial Cooperation Ordinance, which authorized the government to make stipulations in regard to pay scales, the voluntary cooperation of all industries in the defense effort was called for, but compulsion was officially authorized wherever investigation should prove it indispensable. The government could compel cooperation in the regulation, employment, dismissal, and transfer of labor; the regulation of conditions of employment, and of the production and distribution of goods; and the conversion, unification, and expropriation of plants. The Civilians Service Ordinance provided for the enlistment of labor in carrying out the defense program; on July 11, 1941, the government introduced compulsory military service for natives. (The latter law was made popular by the provision that Indonesians were to receive the same treatment as did their European colleagues.)

Laws that were more strictly labor legislation were also inspired by wartime conditions. A Workman's Compensation Act became effective as of January 1, 1940. A special Labor Relations Law was passed on December 16, 1940, to regulate the wartime relations between employers and employees, though it was not proposed that this law should supersede existing labor legislation except in points where a conflict arose between new and old conditions. To carry out its provisions a Commission on Labor Affairs was set up with twenty members; six were government officials, seven represented employers, and seven the employees. The new law provided that if an employer of fewer than twenty persons discharged a worker or effected an unfavorable change in the conditions of employment, the employee might appeal to the commission, from whose deci-

sion there could be no appeal. Employers of more than twenty persons 466
were required to serve the commission with a written notice and await its
decision before discharging an employee or making unfavorable changes 722
in their laborers' conditions of work. The last-mentioned provision applied only to establishments engaged in producing for the war effort but in all other such undertakings, although the employer was free to act as he saw fit, he nevertheless had to report within a month on such steps as he had taken to the commission. The payment of pensions, allowances, and other occasional expenditures in connection with labor also fell within the competence of the commission, and if circumstances required it, the commission was also free to submit its suggestions on labor affairs to the Governor General.

In 1941 additional regulations established conditions for the employment of native or foreign Asiatic labor, but the specific branches of industry to which these new laws would apply were to be itemized by government order. Hours were in general limited to nine in any consecutive twenty-four, and unfair practices in the dismissal of non-European agricultural and mining workers were legally guarded against. Thus, the war stimulated the promulgation of important measures affecting the conditions of labor in the Indies, albeit without as yet establishing any minimum wage standards. Probably most of them would have survived the emergency period, since many provided basic labor legislation long overdue.

Labor Bureau and Inspectorate

The Labor Bureau was set up in the Department of Justice in 1921 for 647
the purpose of drafting labor laws and compiling statistics. Two years
later the Labor Inspection Service, which had been in existence since 466
1908, was placed under this bureau, but it did not begin to function seriously until 1930. In 1925 the Safety Inspection Service was likewise transferred to the Labor Bureau. Subsequent legislation expanded its competence to include eventually every phase of the government's interest in labor problems.

The Labor Inspectors and other officials of the bureau were responsible for supervising the observance of such laws as those regulating the employment of women and children and of the Coolie Ordinances. In investigating certain industrial disputes which affected the public interest, the Labor Inspectorate was consulted. Further, in certain enterprises the Labor Bureau had regulatory powers, which included the granting of such exemptions as were authorized by law. Although the number of inspectors was gradually increased they were even in 1939 too few to be widely effective. The task of controlling the numerous small enterprises of Java and of visiting at least once yearly all the estates in the Outer

647 466 Islands was admittedly too great for the personnel. Moreover much of their work consisted of suggestion and persuasion rather than of law enforcement, and they encountered a certain amount of hostility from planters who resented visits to estates under their management without warning, and interviews with their coolies without their overseers and European staff being present.

The Commission for Labor Affairs established in December 1940 marked a promising reorientation in the handling of Indonesia's labor problems. It was the first such agency in the Indies to embody the principle of tripartite representation and it possessed wide supervisory powers and advisory functions in labor matters.

5

ORGANIZED LABOR

467 THE GROWTH of trade unionism in the Indies has been slow in tempo and small in scope, owing to the predominance of peasant agriculture; the prevalence of part-time employment; the very recent development of industrialization; the government's policy; and the inclusion among unions of such strictly non-labor elements as civil servants and government employees generally.

The first union was formed in 1908 by employees of the railroads and tramways for the protection of their interests. This beginning was followed in 1911 by the formation of a union among customs officials, and in 1912 by two unions of functionaries of the Education and Treasury Departments. Although some members of these unions were Indonesians, other wholly native unions were soon formed. In fairly rapid succession customs officers (1911), education officials (1912), the state pawnshop staff (1913), the opium *régie* employees (1916) and officials of the Public Works and Treasury Departments (1917) established their own unions. Under the influence of the nationalist organizations *Boedi Oetomo* and *Sarikat Islam* successively, Indonesians employed in private undertakings formed similar organizations, as, for example, the union of agricultural laborers in 1915 and that of factory workers in 1917. An important influence was beginning to be exerted at about this time by H. J. F. M. Sneevliet and other advanced Socialists over certain of the unions. By the end of 1919 twenty-two native unions with a total membership of 72,000 convened in a conference at which a central union was established. The first assembly of this central union precipitated a struggle between the Socialist and Communist elements for the controlling influence, with the result that

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fourteen of the unions broke away to form a Revolutionary Central Union. This admixture of politics with economic issues long proved fatal for the development of trade unionism in the NEI, as it provoked government intervention and alienated the sympathies of many potential supporters.

Official intervention originally took the form of requiring all unions' articles of association to receive official approval, and subsequently other restrictions were imposed. It was decreed that meetings might be held only by official permission in enclosed places and in the presence of police officers. In fact, representatives of the Labor Bureau were reportedly also present at every union meeting and took notes upon the proceedings. The strikes called by the unions throughout the 1920's were attributed by the government to Communist influence, and twice it intervened to end such activities. Following the second official intervention in 1929, union development was further restricted and subsequently the government banished or imprisoned a number of labor leaders. Unionism's wings were successfully clipped.

By 1930 the Federation of European Employees comprised eight unions with a total membership of 4,473. The Central Association of Native Official Organizations (PVPN) was made up of fourteen unions (and 29,000 members). The largest single unit was that of the elementary school teachers who numbered 9,000. The Association of Native Employees in Private Undertakings (PSSI) comprised six unions having a membership of 3,000. Total union membership fluctuated somewhat but remained small, rising from 13,282 in 1924 to 111,344 in 1931, but dropping to and remaining below 100,000 until 1939. In that year union membership took an upward turn, reaching the figure of 109,547; by the following year 200 additional members were registered but the total number of unions had declined from 111 to 75. Unofficial estimates placed the 1941 membership at 123,500, and this comparatively rapid growth was probably attributable to the increased activity of wartime industry.

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Even the small size of union membership in relation to the total of the Indies' gainfully employed did not accurately reflect the insignificant status of unionism in the islands. As had already been indicated many of the nominal unions were associations normally unclassified as labor organizations, and a good number of them partook principally of the character of social clubs. Another retarding feature to their growth as labor unions in fact as well as name was that promotion of measures to improve working conditions came principally from government employees, who possessed by far the largest number of unions and were naturally concerned simply with improving their own status. Separate unions were formed by Europeans, natives, and a few Chinese, and these groups were in turn subdivided into more specialized types of workers with the result that little solidarity cemented the various units. Moreover, the

467 government, by assuming responsibility for much of the welfare work performed by unions in other countries, deprived those of the Indies of some of their normal objectives and attractions.

468 The NEI Government did not favor joint negotiations by employers and employees for the regulation of working conditions. No public machinery existed for the arbitration of management-labor differences. Before 1926 individual contracts were covered by law, but no provision was made for collective agreements other than those falling within the competence of the Coolie Ordinances. Agreements entered into between native employers and employees were governed mainly by Indonesian customary law, and were regarded as outside the province of the central government. In 1926 amendments to the Civil Code recognized the validity of collective agreements, but these new measures applied only to Europeans. On the whole the Indies Government continued to regard collective agreements as matters for arrangement by the parties concerned, and as recently as 1938 refused to intervene in an industrial dispute involving the negotiation of a collective agreement.

The Indies' early labor laws, providing as they did for individual contracts and ignoring collective disputes, made no reference to strikes. The first legislation on that subject came in 1923 when, as the result of a railroad dispute, provisions limiting the right to strike were written into the Penal Code. Any labor agitation that tended to disturb public order or contravene a labor contract was liable to penalization. Theoretically this legislation aimed to prevent political agitators from vitiating economic issues, but in practice its terms could be applied to prohibit any organization of strikes. Up to the time of the Japanese invasion, no modification of the law had been made that would have rendered permissible any kind of work stoppage. Official statistics indicate how effectual was such legislation in preventing the occurrence of strikes. Between 1936 and 1940 strikes were few, affected only a small number of undertakings, and involved perhaps only a fourth of all the workers employed in them. During that period the largest number of workers on strike in any one year was 2,115.

TABLE VI: NUMBER OF NEI WORKERS ON STRIKE, 1936–40

Year	*Number of Establishments Involved*	*Number of Strikers*	*Percentage of Strikers to Total Workers*	*Days of Work Lost*
1936	6	872	33.7	4
1937	22	1,357	15.0	100
1938	15	741	20.8	40
1939	18	1,628	13.8	36
1940	42	2,115	22.6	32

Until very recent years no official machinery was set up for the settlement of labor disputes; the only recourse open to workers with a labor grievance was to go to the regular courts, from whose decisions there was 468 no appeal. Conciliation machinery was provided for disputes involving railroad employees by a law of November 24, 1937, and for other industries by regulations dated July 20, 1939. The 1937 law required that a board be set up which would be composed of employers, employees, and government officials. In case of disputes involving the public interest, a committee composed of representatives of each group was to try to arrive at a voluntary settlement and in any case to submit a report of its findings to the government. By the 1939 regulations, disputes in private undertakings which involved the public interest, other than those in the railroads, were to be investigated by a committee composed of officials who would be named when deemed necessary by the Director of the Justice Department. If possible this committee was to reach a voluntary settlement and in any case to submit a report on its action.

The outbreak of war in Europe and its economic repercussions in the [722] Indies stimulated the local government to enact a labor relations law on December 16, 1940, in which an arbitral system was basic. By this law the government assumed power to settle disputes arising out of wartime conditions and it included such items as the dismissal of workers, consideration of unfavorable changes made in working conditions, and the payment of pensions and allowances to workers. A Commission for Labor Affairs was to hear and decide such cases and to advise the Governor General on labor matters generally. Firms whose output was connected with the war effort and which had more than twenty persons in their employ were required to inform and to obtain the approval of this commission before making any alteration in working conditions. In cases where it failed to reach an agreement, the Director of Justice had final authority to make a decision. Workers in enterprises in which fewer than twenty persons were employed likewise acquired the right to appeal to this commission for decisions in regard to altered working conditions.

6

POSTWAR DEVELOPMENTS

So little information is available in regard to current labor conditions in Indonesia that it is not yet possible to draw any picture of the situation as a whole. Apparently both the Anglo-Dutch and Indonesian Republican authorities have resorted to compulsion in the handling of workers. Labor shortages seem to exist, owing to the wide-scale displacement and depletion of Java's manpower during the Japanese occupation 464 [466]

464 and to the refusal of some native Nationalists to work for the British and the Dutch. However, because of the chaotic conditions generally prevailing throughout the Indies, demands for labor cannot yet be great. Economic incentives are still operative, although they vary widely with local conditions, and Japanese troops are still available for use in areas critically short of workers. So involved is the whole area in the current politico-military struggle that the labor position as such cannot be delineated apart from it. 467 665 The Nationalist regime has shown a certain amount of interest in organizing labor in Indonesia, but it seems to envisage the labor movement almost exclusively as an agency for furthering its political and socio-economic objectives rather than as an embryonic trade unionism in the Western sense of the term. The Nationalists' current program envisages the use of labor as a spearhead for effecting an economic revolution along socialistic, and possibly communistic lines, and as one sector of a single-party system. The Dutch, on the other hand, will probably use their influence to foster the labor movement along the tripartite and paternalistic lines foreshadowed on the eve of the Pacific War.

Forced Labor

728 466 Some evidence has come to hand that, throughout the first months of their occupation of a part of Java, the British utilized the labor groups organized by the Japanese during the war. Probably in order to mitigate Indonesian resentment of this perpetuation of forced labor for all classes of native society, and in proportion as localized labor shortages became less acute and their need for the cooperation of educated Indonesians grew, the British showed a willingness to exempt former officials and professional men. The Dutch, apparently, were at the outset unwilling to employ those who had collaborated with the Japanese even in minor capacities, but in recent months they have welcomed back into their service those willing to return in numbers sufficient to staff offices. Recent reports from a Republican source claim that the Dutch have been compelling the Timorese to work for them under penalty of being deported to Samaoe Island. On September 11, 1946, it was reported that an agreement had been reached between the international oil companies and the Republican-appointed governor at Palembang (Sumatra), whereby the former would obtain the services of Indonesian laborers. In general, however, the retention of Japanese troops for labor services and the limited areas under Allied control have rendered it unnecessary for the Anglo-Dutch authorities either to come to terms with the Republicans in order to secure workmen or to resort to forced Indonesian labor on an appreciable scale.

000 The Republicans have repeatedly protested against the Anglo-Dutch

The Republicans have repeatedly protested against the Anglo-Dutch 466
use of Japanese forced labor but themselves feel under no ideological compulsion to avoid coercive measures. Being engaged in a life-and- 668
death struggle for survival, they see no alternative to the regimentation of every potential supporter of their cause. They have reportedly enacted 681
a Compulsory Civil Service Act compelling all Indonesians between the ages of 16 and 50 who are subject to judicial penalties to work in such industries and undertakings as are deemed indispensable to their country's defense. It may be presumed that application of this measure will be expanded or restricted according to the fortunes of their cause.

Labor Shortages and Unemployment

Until December 1945 there seems to have existed a shortage of laborers, 464
particularly of dock coolies, for the unloading of ships' cargoes. In large [728]
part this was attributable to the displacement and depletion of Java's best manpower during the war. A high Dutch official has estimated that after the Japanese surrender there were from 10 to 30 per cent fewer laborers available in the Indies than in 1940–41. Approximately one million, among them the strongest and most able Indonesian workers, were dispersed by the Japanese. Of these probably several hundred thousand were shipped outside the Indies and, to date, the fate of about 90 per cent of them is still unknown. Approximately 10,000 have thus far been repatriated, and in such poor physical condition as to be valueless as laborers for some time to come, although they are a potentially useful group for political propaganda purposes. The Republicans have welcomed them warmly and have organized committees for their rehabilitation and conversion to the cause of Indonesian independence. It is possible that they may also serve to keep alive anti-Japanese sentiment in the Indies.

The varying economic conditions prevailing in the different parts of Indonesia have operated to affect the labor market. In Java the food resources held by the British army toward the end of 1945 proved to be an effective means of attracting sufficient labor to work for the occupation forces. At the same time in most of the Outer Islands food was plentiful enough and constituted no such incentive, and the lack of consumer goods and the breakdown in transportation further curtailed use of the limited manpower available. In West Borneo the local shortage of labor among the sparse native population was attributed to their need to cultivate their fields because of inadequate rice imports. Conversely, in the Moluccas the food situation was comparatively satisfactory but the native population has been showing a diminishing interest in agricultural production ever since 1944–45 when the American army began attracting laborers to nearby islands by offering wages higher than the prevailing local scale.

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464 186 Judging by the denunciations of Antara, the Indonesian Republic's press agency, the Anglo-Dutch authorities must have been fairly successful in procuring the labor services of Indonesians. Antara has attributed this to the unsatisfactory living conditions prevailing in Dutch-occupied territory, and not to voluntary cooperation. A minor propaganda battle has been waged over this issue. The Republicans have naturally been appealing to Indonesian patriotism to persuade their compatriots not to work for the Dutch. The Dutch have shrewdly tried to counteract this by stressing the prospect of bigger and better than prewar employment opportunities which will be offered in the Netherlands-controlled Indies of the future. A resolution adopted at the Malino Conference, held in July 1946, stated that Indonesians should be employed in enterprises both within the Indies and abroad in order to acquire wider business experience. This question will doubtless become of increasing importance, but for the present, labor shortages are apparently not acute and such unemployment as exists is probably of a voluntary nature.

Strikes

468 563 There is an almost total absence of information about strikes in postwar Indonesia. Obviously little industrial production is being attempted in the unsettled state of affairs that prevails. Almost the only strike recorded to date has been that of some Chinese coolies engaged in rehabilitating the tin mines of Banka. For a five-day period in April 1946, about 700 Chinese miners struck for an increase in pay, which then was 42 cents daily, with a rice ration. Netherlands troops were reportedly called to the scene and, in consequence, the strikers returned to work without receiving the increase demanded. According to the Netherlands news agency,[3] Indonesian workers did not join in this strike because they had just been accorded a wage increase along with free distribution of food and clothing. This situation, if accurately reported, suggests either a lack of spontaneous identification of labor interests on the part of Chinese and Indonesians, or a deliberate policy on the part of the Dutch to split labor along racial lines and to favor the Indonesian group at the [465] expense of the Chinese. Although Aneta was careful to point out that the Chinese coolies' current wage represented almost a 100-per-cent increase over the prewar rate of 24 cents a day (with an increment up to 51 cents after five years of service), no indication was given of the extent to which local living costs have become inflated.

467 668 A certain amount of activity on the part of the Indonesian Labor Front has been reported. This organization is believed to have been introducing agents into several Dutch camps for the purpose of organizing strikes

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[3] Aneta, May 6, 1946.

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and generally fostering a spirit of non-cooperation. If this report is true, the results of such efforts are not yet evident.

Labor Organizations

An Indonesian Labor Front (*Barisan Boeroeh Indonesia,* or BBI) has been organized in the Indies with a branch at Singapore. The origins of this movement are obscure. It is not yet known whether its nucleus was a resistance group formed during the Japanese occupation or whether the BBI dates from the prewar period. Its leader, Koesoema Soemantri, was a labor organizer in the 1930's and after V-J Day became the Republican Minister of Social Affairs. The BBI seems to have been undermined by factionalism, particularly in its Singapore branch, and Republican officials have made efforts to bring unity within its ranks and to fuse it into the one-party system that is apparently in process of formation.

At the present time it is difficult to discern any spontaneous trend toward organization on the part of Indonesian laborers themselves. Trade unionism was not strong in the Indies before the war and seems to have experienced no further development subsequently as a movement apart from the struggle for Indonesian independence. Soemantri and Maria Ulfah Santoso, his successor as Minister of Social Affairs, have revealed the Republican government's intention of absorbing and utilizing the labor movement—such as they may create—for the purpose of spearheading a revolution along socialistic lines. In principle, the Labor Front is anti-imperialistic and anti-capitalistic and aims to cooperate with other Indonesian organizations, such as youths' and peasants' associations, for the establishment of a new state through revolutionary means. Its ultimate aim is to aid in the formation of labor parties and trade unions and to establish contacts with labor organizations abroad toward the realization of a socialistic world structure. The few policy statements made by Republican officials regarding labor have been confined to generalizations of this nature, in which confusion and verbosity indicate the absence as yet of any concrete program. Last November a conference was held by the BBI at Solo, which was apparently designed primarily to enlist the support of Indonesian labor for the nationalist cause rather than to strengthen and expand the labor movement *per se*. Reportedly the Internationale was sung and the hammer-and-sickle symbol was much in evidence. No other meetings of this nature have been reported, possibly because of the unresolved rift between the Communists and Socialists within the Republican ranks.

To date the Indonesian labor movement as such seems to have registered no advance, and the Republican government has shown no slackening of its intention to absorb and utilize labor for political ends. In a speech made early in August 1946 before the All-Java Conference of Social Organizations, Madame Santoso stated that "the aim of the labor struggle identifies itself with the target of the Republican government's labor policy."[3] She was, however, even less specific than her predecessor in office had been as to the means which would be taken to realize that goal, and it remains doubtful whether any such program has actually been drawn up by the Indonesian Republicans.

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[3] Jogjakarta Radio, August 2, 1946.

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CHAPTER V · INDOCHINA

1

GENERAL LABOR CONDITIONS

466 241 433 PRIOR TO THE THIRD QUARTER of the nineteenth century no authentic labor problem existed in Indochina. Local warfare was the rule and in the comparatively peaceful interludes the population lived almost entirely by and from agriculture and fishing. Conditions were such that large landholdings and trade, in the modern sense, could not exist. Domestic industries were the only ones existing and the few established craftsmen and the small property owners employed very few workers. Most workers were domestic servants. The agricultural laborer (*dan*) received food and lodging and a very low wage, and his general position was that of a member of the family, to whose head he was attached by debts which he or his parents had contracted.

177 461 101 The ethnic diversity of Indochina's population is matched, and strongly influenced by, the country's topographical variations, which have fairly effectively sealed off the different regions from mutual contacts. The Annamites—the largest (17 to 18 millions), the most intelligent and industrious component—are concentrated in the three eastern seaboard states of Cochinchina, Tonkin, and Annam. Although they are the country's best farmers, they suffer from psychological as well as economic handicaps. Their life is impregnated with Chinese-inspired ritual and reverence for the past. The traditional techniques are good to them simply because they are ancient; and new crops, the regular care of animals, and the use of fertilizers are all suspect. Rice farming because of its periodicity has developed in them no discipline of regular, unremitting toil; it is a type of work well suited to intermittent family labor. The Annamite cultivator works within the strict orbit of his needs and takes no thought of the morrow if his meager desires are satisfied today. 434 This attitude is historically explicable by the long-standing exactions of the mandarins and by the sumptuary laws curtailing the enjoyment of possessions. Combined with their chronic economic misery and indebtedness, it has placed the Annamite peasants in almost inextricable servitude. Despite their dexterity and their docility to technical guidance, they aspire to clerical

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461 177 [609] 101 positions in preference to any forms of manual toil, even those higher paid. They respect Chinese culture but their regard for the superior organization, adaptability, and commercial talents of the Chinese in their country is tinged by fear and some hostility.

The far less numerous Cambodians (2.5 millions) are the gentle, religious, and artistic descendants of the more talented, Indianized empire-builders of Angkor. They are indifferent farmers, incapable traders and unpersevering and indolent workmen, but are skilled in the artistic crafts. Their relations with the Chinese are more amicable than with the Annamites, from whom the Cambodians have suffered militarily in the past and economically in the present. The Cambodians fear the aggressive and prolific Annamites and their land hunger to such an extent that they move away from villages where Annamites have settled in large numbers.

This fear and dislike is also felt by Cambodia's northern neighbors, the Laotians, who are even less able to resist Annamite infiltration. The Laotians do not appear to share the capabilities of their relatives in Siam and resemble the Cambodians in regard to farming and industrial incompetence. Although they are less talented as craftsmen, they are more skillful as boatmen and as merchants. Under sympathetic tutelage, however, they have shown some ability in forestry and even in mining.

161 311 Indochina's population density averages higher than that of its western neighbors (31 persons to the square kilometer) but it is very unevenly distributed. Three-fourths of the whole population live on the plains bordering the sea—that is, on a tenth of the total surface. Ninety per cent of the Indochinese are rural and only in very recent years has there been any appreciable trend toward urban centers. The densest areas are the deltas of the Red and Mekong Rivers, the former comparing in populousness with teeming Java. Despite the fertility of the Tonkin delta, which permits two rice harvests annually, this region cannot feed its population, whereas in the south large tracts of arable land remain unutilized for lack of labor to cultivate them. [166] The two obvious solutions—intensifying the area under cultivation and the transfer of populations from the north to the south—have been attempted, but they have been tried out on too small a scale and have encountered too many obstacles to be considered, as yet, a satisfactory answer to the problem.

166 621 842 For many years the inadequacy of the colony's means of communication was a major handicap to populations transfers, but, even when this was partially remedied, there remained serious psychological impediments. The Annamite is notoriously reluctant to leave his native village to which he is tied by religious rites, his fear of mountains and malaria, and of the unknown generally. His traditions require numerous progeny to provide for his spiritual comfort in the next world and his economic well-being in this sphere. Even if the expense factor in birth control were eliminated, considerable time and education would be required to change so fundamental a viewpoint.

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change so fundamental a viewpoint. The French authorities consider the only possible solution lies in a more rational redistribution of the population within the individual states, and possibly by the transfer of sizable groups from Tonkin and North Annam to the southern regions. 166

Even before the conquest was completed in the north, the French tried to attract the Red River delta population to middle Tonkin through a system of sharefarming. Unfortunately they did not realize that the population already established there had only temporarily left their properties during the period of hostilities, and they doled out the whole region in twenty large concessions. The new incumbents were unable to work most of their lands not only because they lacked the necessary capital but because they could not attract sufficient labor. The former proprietors refused to work for those whom they regarded as usurpers, and the relationship between the colonists and the local mandarins was so unfriendly that the latter would not exert the pressure which alone could have produced the labor force required. Moreover, the large public works program launched about 1900 attracted the floating delta population by offering higher wages and greater proximity to population centers. The Annamite has regularly preferred seasonal labor that would permit him to return periodically to his native village. Most of the workers who did go to middle Tonkin were from the undesirable elements whom the village mandarins were so anxious to be rid of that they coerced them into the colonists' service. Metayage did not succeed in solving any major problem and survived only on a very small scale and on the largest northern plantations. 166 464 [653]

This experiment was not tried again until after the First World War, when metayage proved unable to solve the problem of disposing of returned veterans, despite the publicity given to the scheme and a simplification of the formalities involved in applying for small holdings. During the depression it was again put forward, this time more scientifically. Officials were asked to collect information about the land suitable for colonization in the mountainous districts of Tonkin and the alluvial areas newly won from the sea and rivers. Results of this inquiry were discouraging. Most of the region's fertile valleys and irrigated fields were already occupied and the suitable land available allowed for the transfer of only a few thousand persons annually. Since a comprehensive scheme was impossible, the government tried to foster individual settlements through subsidies, but this also proved to be impractical because it was not on a communal scale and had not been preceded by adequate antimalarial measures. 166

The government now tried still another solution—that of collective concessions under the aegis of a new agent, the founder-benefactor, a remarkably ingenious attempt to combine the traditional village chief with a functionary of the Third Republic. While this last experiment

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166 looked promising, its achievements have been on too small a scale to be regarded as definitive. Annam has been experimenting with an analogous scheme, in an even more limited way, through provincial settlement offices. In Cochinchina two agricultural villages have been set up, at Rachgia and Ha-tien, with slightly differing techniques but with the same aim of stabilizing the landless and preserving the traditional family and communal organization in a new setting. They are officially regarded as sufficiently encouraging to serve as models for other parts of Indochina.

166 The steps taken by the individual states to solve their own population distribution problems have been dispersed and have affected only a small segment of their peoples. 464 On a far bigger scale, but almost equally unsystematic, have been the successive transfers of surplus northern Annamites to the southern plantations. Desultory efforts in this sphere date back to 1907, but they did not achieve significant proportions until the 1920's. Unfortunately the first immigrants were so carelessly recruited that the original plan ended in a dismal failure. The second, more systematic, attempt took the form of contract labor, which tended to create an agricultural proletariat. By and large the administration has never favored any scheme that would not encourage agricultural colonization and stimulate the flow of voluntary labor to the south. But such a program not only encountered the Annamites' deep-rooted distaste for distant lands but also aroused the opposition of Tonkinese employers, who wanted to retain in the north an abundant supply of cheap labor, and of the Cambodians (and Laotians) to the settlement of Annamites in their country.

Even before completion of the Trans-Indochinese Railroad in 1936, it was apparent that improving the means of communication alone was not going to provoke a large-scale, spontaneous flow of Annamites southward. When plantations there began to expand, in the first years of this century, the indigenous population no longer sufficed as a source of labor. The Cambodians and Laotians are few in number, live scattered throughout the countryside, and in any case are reluctant to work. [461] As laborers the mountain people of the south are regarded as the most unreliable and unstable of all. Not only do they dislike regular work but also they distrust outsiders to whom they will hire out their services at most for a few days at certain seasons and only to fill their immediate needs. While they are reasonably good at woodcutting, they hate road building and resist instruction.

166 The Office for Tonkinese Emigration and Settlement established in 1937 conducted a long and careful study, with the object of using northern Annamites to supplement the fitful and inadequate labor resources provided by the local inhabitants in the south. The Office decided to experiment on a very modest scale by settling some six hundred individ-

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uals in Rachgia province. The Founder-Benefactor Agency was selected 166 as the method best adapted to take into account the Annamite's ties with his native village, his want of initiative and adventurous spirit, and his fear of evil spirits and illness in a distant land. So wary has the government been in its desire to avoid repeating earlier mistakes that its accomplishments through this new agency were almost wholly in the realm of theory before the outbreak of the Second World War.

The discovery of valuable mining deposits in the north brought about 433 a slight shift in the center of Indochina's economic gravity. Not only did this create new export industries but it produced fuel for the establish- 471 ment of new local industries like those of paper, glass, cement factories, 178 and textile mills. The rapid tempo of Indochina's economic expansion during the interwar period attracted more and more French capital and colonists, but at the same time the employer group ceased to be exclusively European. A small but growing Annamite bourgeoisie came into 565 being made up of landholders in the south and of industrialists and merchants in the north. Simultaneously an industrial proletariat, drawn chiefly from the fantastically increasing population in the northern delta, was being transformed into a wage-earning class. It had become discern- 464 ible during the First World War when the colony's isolation from the mother country perforce developed the local mining and rubber industries, but it grew in numbers and self-consciousness after the return from France of the 50,000 or so Indochinese laborers, who had worked there in war industries and who brought back with them new skills and new ideas derived from their contacts with Occidental workers. In the south 426 the long-standing indebtedness of the peasantry reached an acute stage, particularly during the economic depression, and resulted in a danger- 427 ously rapid growth of tenancy and a landless proletariat.

Out of the misery of the humblest agricultural classes and the break- 464 down of the two bulwarks of Annamite society—the family and the commune—there was shaping an industrial working class. The existence of 178 such a class has often been openly doubted because of the small number, a few hundred thousand individuals, classified as wage earners by census-takers. But the official statistics of Indochina show only the indigenous workers employed in European undertakings and do not take into account the increasing body of agricultural wage earners who form the most numerous section of the new working class. Moreover, the figures show only those wage earners employed at the time the census was taken, and ignore the intermittent character of much of the colony's employment. In 1933 it was estimated that two-thirds of the Tonkinese were workers for wages during at least part of the year. They lived from day to day, eating well only at harvest time, eking out an existence by crafts, commerce, and by seasonal migrations which preferably would not take them far from home. They lived in a chronic state of underemployment

464 and had no opportunity, even during the best years, to set aside savings.
[465] The wage earner averages an annual income estimated in prewar years at
forty-nine piastres. He is still primarily a peasant, which accounts for his
[177] lack of industrial skills. His instability in an industrial environment is
due not only to his being rooted in his native soil but to the breakdown
in the basic family and communal units, which are tottering from the
impact of French colonial policy and Western ideas.

464 Although the masses still outwardly preserve the traditions of the family and commune, obviously the coherence of those institutions cannot
467 withstand the increasing and prolonged absence of many of their members
or the psychological changes wrought in them thereby. The wage earners are becoming conscious of themselves as a group apart. The rapid industrialization of Indochina was marked in the 1920's by the first disputes between laborers and employers, by more comprehensive labor laws designed to protect them as a class, and by greater migrations southward where the rubber industry, in particular, was achieving boom proportions. Other expanding industries were demanding a variety of skilled labor. Although the industrialization of Indochina was retarded by French policy and received a setback during the depression, the capital-labor problems long familiar to the West were discernible locally and the formation of both an agricultural and an industrial wage-earning class was well under way when war broke out in the Pacific.

2

TYPES OF LABOR

463 INDOCHINA'S OFFICIAL STATISTICS seldom give detailed figures in regard
to the occupations of the indigenous peoples, although Europeans are
241 classified according to occupations in the *Annuaire Statistique* (1936–37).
Probably about twenty million out of a total population of more than twenty-three million are engaged in farming, either as laborers or as peasant proprietors, concentrating principally upon the production of rice, corn, and rubber. The balance of the colony's workers are employed in fishing, forestry, mining, and in the industries processing raw materials.

433 The cultivation of rice has normally accounted for about three-fifths of Indochina's total agricultural output. The production of paddy and, far less important, that of corn is almost wholly in the hands of the native peoples. Predominance of the former crop is accounted for by the marshy nature of the delta lands and by its popularity as a foodstuff for both

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home and foreign consumption, whereas the latter was, in prewar years, 433
grown primarily for export.

Agricultural

The theoretical ownership of all land by the Emperor in Annamite 421
countries has evolved with time and for all practical purposes into possession by those who worked the soil. The commune—the basic adminis- 428
trative, social, and economic unit of old Annam—still exercised outright
ownership for religious purposes over part of the village land (*huong hoa*), and its chief had the right to dispose of the remainder through periodical distributions among the heads of the families listed on the tax register (*dia bo*). Like that of the commune, a portion of this family property consisted of the *huong hoa*, which must be bequeathed intact to the eldest son; the balance was divided equally among all the male off-
spring. The *huong hoa* and the obligation to care for the family tombs, 769
under pain of perpetual spiritual discomfort, have made all Annamites
loath to sell or leave their land. Thus religion, reinforced by traditional peasant conservatism, compelled the Annamite to remain on his property even as tenant if the extortionate demands of the moneylenders had
undermined his title to it. Those not registered as village taxpayers 651
formed an unstable, floating population from which has derived the
present-day agricultural and industrial proletariat. The varying degree 464
to which the peasants were indebted and the relative scrupulousness with which the tax register was kept, as well as differing soil and climatic conditions, have created marked regional differences in the status of the Annamite masses.

In the more populous north, the land has been increasingly subdivided, 427
whereas in the more recently colonized south the average holding is
larger. In Tonkin, 98 per cent, and in Annam, 89 per cent, of the pro- 421
prietors cultivated their own lands but their minute capital consisted
only of seeds, a few pigs, and an ox or buffalo. Sometimes they engaged 426
in a little trade on the side or practiced crafts to augment their incomes. Their constant need of credit led them ever deeper into debt by pledging the crops ahead of the harvest and at a low price. (Any extra cash which these farmers managed to accumulate they loaned out at the same usuri-
ous rates from which they themselves had suffered.) In northern Indo- 241
china family cultivation was the rule and neighbors rendered mutual help
at harvest time. Implements were primitive and draft animals scarce. 476
More often than not the northern farmer suffered from chronic under- 426
nourishment and the exactions of moneylenders, and was well on the way to becoming a tenant farmer. Sharefarming in this area was still comparatively rare, but the payment of rent in kind or in cash was beginning to be common.

421 Large holdings were much more frequently found among the southern Annamites, 45 per cent of the rice fields there forming estates ranging from fifty to two thousand hectares and only slightly over 12 per cent being small farms of less than five hectares. Of the 6,690 landowners with holdings covering more than fifty hectares throughout all Indochina, 427 6,300 occurred in Cochinchina. As in the north, farms of under ten hectares were usually worked by the owner himself, but the great majority were divided into lots of five to ten hectares and farmed by tenants (*ta-dien*). Almost inescapably this tenant farmer fell into the usurious hands of the property owner and of the Chinese trader, and he was overwhelmed by his debts to both for such necessities as seed, implements, and draft animals. Miserable as was the *ta-dien's* status, it should be noted that his strictly agricultural work occupied only a few months of the year and that his landlord had comparatively little protection against the unscrupulous among them who pocketed the advances and absconded at harvest time.

421 [427] In Cambodia family smallholdings remained the rule. The area cultivated was normally less than a hectare along the river valleys and not more than five hectares in the interior. Tenancy and sharefarming were rarely found in Cambodia, and there were few agricultural laborers available for daily hire. Mutual aid was common, as among the northern Annamites, but there was no tradition of periodical redistribution of communal lands. In Laos, where there has always been plenty of unoccupied arable land, every type of ownership may be found—family possession and cultivation, communal lands, and shifting agriculture.

427 565 177 [668] Everywhere, thanks to the development of an export trade and to the French policy of individualizing property and of favoring a native elite, two distinct elements have come into existence. On the one hand there were the large landholders, both French and Annamite, who exercised their influence through the mandarins, the local councils, the chambers of commerce, the press, and the credit agencies; on the other, there were the working farmers and the smallholders who had come into the power of the first group. Doubts as to the existence of an Annamite peasantry were dispelled by the uprisings of 1930–31, when the village registers and records were destroyed by the landless or the overwhelmingly indebted in violent protest against those who had monopolized the best lands. These jacqueries at least made the government aware of the social, economic, and political danger latent in a situation that in the north and south alike compelled the masses to live in direst poverty.

184 422 653 The problem has been attacked officially with a threefold aim: to improve the conditions of land tenure by removing uncertainties in regard to title deeds through a system of survey and registration; to increase the soil's productivity through extensive hydraulic works appropriate to the varying regional conditions; and to offer a better credit system to loosen

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the usurers' grip. The institution of land registers, cadastral surveys, and [184] villages of colonization have been too limited in scope and hampered by too many needs, especially in regard to financing, and imagination and 422 psychological cooperation on the part of the northern Annamites, to have achieved a success commensurate with the administration's frequently de- 653 clared policy of granting smallholdings to the landless in underdeveloped areas. Far more effective have been such public works as dredging Cochinchina's canals (albeit more for transportation than for cultivation purposes), dyking Tonkin's turbulent rivers, and generally improving irrigation facilities to create additional ricelands. Some efforts were made [242] to teach native farmers more scientific methods, but only one agricultural school was established, in Cochinchina, and its graduates preferred instructing others to applying their new knowledge directly to the soil. School gardens and propaganda pamphlets distributed by itinerant officials have had little more success.

The technical services have achieved more concrete results through the 242 distribution of selected seed, demonstration of improved equipment, campaigns against animal and plant diseases, introduction of new crops, 654 and the institution of agricultural fairs and competitions. In practice the administration has concentrated upon increasing and bettering rice production through a specialized Office du Riz and the Institut des Recherches Agricoles (before its dissolution in 1932). Some, but not enough, progress has been made in reducing unduly high production costs and in raising the per hectare yield, and the use of modern cultivation methods was making headway until greatly retarded by the depression (as evidenced by the declining imports of mechanical equipment and fertilizers). Perhaps most important of all, it was at least officially recognized that any fundamental improvement in Indochina's agricultural output was tied up with the organization of a credit system that would improve the status of the masses.

Unlike Chinese usurers and Indian chettyars, the large Annamite own- 471 ers of Cochinchina were eager to control even more property than what they acquired through loaning out money to their tenants. They con- 434 ceived of wealth largely in terms of land and, being absentee proprietors themselves, they envisaged rice cultivation only through their *ta-dien* to 427 whom they made advance in money and in kind, which the latter were compelled to accept and which eventuated in the loss of their land. The more prosperous among the big landowners might also derive additional income from operating oil, rice, and sawmills, lime kilns, and sometimes a rubber plantation. The Annamite tradition has bred a perpetual land-hunger among rich and poor alike, because it has meant that the property owner need do nothing himself since the landless have no alternative but to work for him.

The efforts of the French to provide cheaper credit than that offered 000

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426 The efforts of the French to provide cheaper credit than that offered by Asiatic usurers have not reached down to the neediest classes, who have continued in large measure to borrow from the old sources because they have lacked the required security, because they have been discouraged by the formalities involved, and because of the system's defective financing and organization. More fundamental, perhaps, has been the failure to instill in them the principles of thrift and cooperation, and to utilize as a foundation such elements of native life as could be adapted.

[686] In July 1926 the problem was directly attacked by restricting imprisonment for debt, and in May 1934 by fixing the legal rate of interest chargeable on loans at 5 per cent to 8 per cent. To do away with the legal loopholes, of which the usurers quickly took advantage, a decree of October 9, 1936, stipulated that private loan contracts required the approval of an official who must be satisfied that the signatures had been properly exchanged, that the money had been paid over, and that the sum transferred was identical with that acknowledged by the debtor. Supplementary measures, enacted December 2, 1936, were designed to bear down even harder on loan sharks. Interest illegally charged might be recovered out of the normal interest still due and subsidiarily out of the capital amount of the claim; moneylenders convicted of an infringement of the law might be fined from 100 to 5,000 francs, and second offenders were to be imprisoned (six days to six months) and also fined (500 to 10,000 francs).

452 Recognizing that such laws at best were only a negative means of help-
652 ing the native farmers and that some credit must be provided to them at
moderate rates, which would automatically obviate recourse to usurers,
474 official agencies for agricultural credit were set up. As early as 1907 mutual agricultural credit societies had been formed in Cochinchina, and in 1912 native agricultural syndicates were also established there. But it was not until after the First World War that the system developed significantly. In the interwar period about twenty societies were created, one for each of Cochinchina's provinces, with a membership of about 13,000 and credits totalling 12 million piastres. Membership was open to all farmers working one or more hectares, whether as tenants or proprietors, upon payment of a one-piastre fee. The formalities for obtaining a loan were made simple and cheap: loans up to 8,000 piastres were available to those offering property security, and up to 500 piastres for those possessing only personal security. The rate of interest was restricted to 12 per cent annually, and the risks of the operation were borne by the colony's budget. Despite the novelty of this system, its success was so rapid that it almost jeopardized the whole undertaking. It stimulated an over-rapid expansion of the area under rice, which had serious repercussions during the depression, aggravated by faulty organization and bad management. The government had to step in and establish an Agricultural Credit Inspectorate in 1931 and a Central Fund in 1932, to investi-

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gate all loans above the sum of 3,000 piastres, to assure uniformity of 452
policy, and to supervise the individual society's management.

In northern Indochina, the even direr poverty of its farmers and the 652
lack of any large-scale land survey provided no such nucleus as in Cochinchina 474
on which to build up a similar system. So the government in 1926 introduced a People's Agricultural Credit scheme based on that of the NEI Government to administer credits granted to mutual aid societies set up under Annamite (or Cambodian) law. Theoretically the system comprised three grades of banks—communal, provincial, and central—but only the immediate group came into existence. Membership fees were set at 10 piastres, the interest rate was 12 per cent granted on personal security, land, or movable assets, and loans were restricted to an 18 months' period and to 500 piastres. Ultimately these loans were granted out of the colony's budget, and they followed the same general development as in Cochinchina. Too many loans were outstanding when the depression struck; there was a regrettable absence of supervision and centralized machinery, and the native officials in these organizations, like the landowners of Cochinchina, were usually usurers themselves and succeeded in preventing the neediest farmers from benefiting as they should have from the system.

Before the outbreak of the Second World War there was some indication that the government recognized the basic defects in its credit policy. The system had been kept alive by budgetary support and not by the members' savings which it had meant to encourage. No specialized corps had been set up as supervisors, the task having been left to administrators who had neither the time nor the training to exercise effective control. The government had simply substituted itself for the Chinese trader and chettyar as the peasants' creditor. Opponents of developing a genuine cooperative, as against a purely credit, system underscored the Annamites' fatalism, their absence of initiative, their lack of taste and opportunities for exercising thrift, and their tradition of relying upon family or public authorities for aid in emergencies. But advocates of cooperatives pointed [735]
to the utilizable elements in native life, such as villagers' responsibility for certain duties benefiting the whole community, the communal lands used for collective purposes, and above all the *tontine,* a sum collected in driblets through family contributions which the village chief controlled and which was available to needy members with repayment on the instalment plan. Nowhere before hostilities engulfed Indochina had such ideas borne actual fruit, but a realization was evident that the state had played too heavy a financial role and too light a supervisory function, and that it had transplanted ready-made into Indochina a system which should have been built up on indigenous institutions and entrusted to trained advisers. A better credit-cooperative system remains the most acute need of farmers throughout Indochina.

Handicrafts

438 In Indochina, both before and after the French occupation, almost
517 every farmer was a craftsman in his leisure time. Needs were few and
easily satisfied, communications were difficult, and traditions—sometimes
463 religious rites—established the simple techniques that required little training or division of labor. In addition, there were groups of specialized artisans whose existence was due to a regional need for greater technical skills or to the location of certain raw materials. In 1938 it was estimated that about 1,350,000 persons in Indochina were completely dependent upon the traditional handicrafts for their livelihood. In some of the larger towns the most specialized of the skilled craftsmen found a market for their wares, and particularly in Cambodia, the artistic crafts flourished through the patronage of courts, monasteries, and the aristocracy. In general, craftsmen conceived of no industrial life other than that of artisans working individually or as families for clients or patrons. Large undertakings and accumulations of capital were non-existent.

The French regime has had virtually no effect upon the peasant craftsmen, who have continued to build the same type of primitive house, weave the traditional cotton or silk clothing of unchanging and simple style, and to make their own rudimentary agricultural implements, furniture, and fishing tackle. The peasants have been too poor to adopt any other pattern of living or to purchase imported goods. The small artisan, especially in the deltas where a dense population has encouraged specialization, gave only somewhat less time to agriculture than did the peasant farmers, and as soon as possible he bought land and devoted himself almost wholly to it. This trend is due to the Annamites' inbred land-hunger and not because the craftsmen among them are regarded as socially inferior or are formed into castes.

Of the 6.5 million Annamites living in Lower Tonkin it has been estimated that 200,000 of them devote the greater part of their time to family industries, and that perhaps 800,000 engage in such activities for at least a few weeks of every year. The whole area sells and purchases little and is virtually self-sufficing. Small-scale industries in Tonkin were village industries which had attained a certain degree of specialization. By their poverty workers were compelled to use only rudimentary equipment. Too poor and too thriftless to improve their techniques and sales, they were also too unsophisticated and too unimaginative to band together or to calculate production costs. A certain division of labor was achieved—a simple article being produced in various parts by different villages—but it was no indication of specialization; rather, it was attributable to their inability to see the process as a whole and their need to realize a quick turnover in order to purchase more raw materials. The distribution of Tonkin's industries in some cases seems to have been more a matter of

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chance than of the location of the required materials. Perhaps in ancient 438
times some skilled craftsmen obtained a practical local monopoly, through
appropriate patronage and trained assistant workers in their vicinity. In 463
the order of their economic importance textiles, especially silk, took first place, and were followed by basketry, woodwork, and lacquered articles. Less widespread was the pottery industry, and villages of metal-founders or tinsmiths were very rare. The blacksmiths were ambulatory and tinsmiths have been using gasoline cans as their raw material. Particularly simple work, like certain bamboo and paper items used in rites, were left to women and children.

TABLE VII: ARTISANS IN INDOCHINA *

Principal Crafts	*Tonkin*	*Annam*	*Cochin-china*	*Cambodia*	*Laos*	*Total*
Basketry	15,521	277	357	416	53	16,624
Woodworking	1,426	2,783	4,347	911	265	9,732
Textile	56,850	2,988	303	1,029	90	61,260
Embroidery	2,315	62	81	5	16	2,479
Lace making	2,833	..	..	..	..	2,833
Leather work and tanning	1,057	117	277	4	9	1,464
Metal work	1,143	994	1,554	40	189	3,920
Silver and jewelry	471	333	843	169	59	1,875
Paper making	2,771	41	97	..	..	2,909
Pottery	522	460	145	788	104	2,019
Mother-of-pearl	232	20	..	..	..	252
Food processing	1,004	427	193	..	56	1,680
Miscellaneous (hats, lacquer, dye, etc.)	9,525	4,150	10,837	11,961	384	36,857
Total	95,670	12,652	19,034	15,323	1,225	143,904

* *Bulletin Economique de l'Indochine*, 1939.

In Cambodia the most important indigenous industries were the manu- [531]
facture of fish products, silk textiles, pottery, boat building, and—above all—the artistic crafts like wood carving, goldsmithery, and the making of jewelry. But until they were revived by the School for Cambodian Arts many of the latter crafts had been dying out because they could no longer find customers. In Laos, the local industries were little developed and the population's needs slight. With few exceptions connected with house-building, the manufacture of utensils, weaving, and the like, there were no workers engaged in any given trade.

The French introduced certain changes, particularly in the status of [463]
the specialist craftsman whose production and techniques were altered to
meet the demands of the new European and Occidentalized customers. 177
In the larger towns novel skills were introduced—those of photography, 438
watchmaking, and printing. Lace-making and embroidery were two of
the new industries that attained the largest scope. A growing number of 555
Europeanized Annamites in the urban centers have supplied a clientele

177

438 for the output of the more up-to-date craftsmen, who have also been
555 officially encouraged by patronage and the granting of honors to the
point where they have gradually developed into a bourgeoisie.

177 While the country's rapid westernization created some new industries,
[439] it also killed others through the importation of competitive goods. Such
industries as those of tiles and mat-making have proved to be especially
643 vulnerable; others, especially those whose output was destined for strictly
local use and not subject to fashion, such as the manufacture of religious
438 articles, have been more resistant. So long as the traditional agricultural,
family system survives so will the crafts, but they will die rapidly when
large-scale industrialization sets in. The government has tried to delay
their decay by emphasizing the important economic and artistic role
played by artisans and by dwelling on the dangers attendant upon their
elimination. It has been recognized that the hundreds of thousands of
craftsmen living in close contact with the rural population are a factor
making for stability and calm, and also, that their output fills the needs
of the majority of Indochinese who cannot afford imported merchandise.

461 To assure their survival some of the craftsmen have been guided into
new forms of production and some improvement has been effected in
177 their equipment and techniques. The Annamites are cooperative to the
extent that they are dexterous and easily taught, and they are eager to
make money. But simultaneously they always want to establish a monopoly in their particular field, and they are thriftless and lack organizing
ability. In some instances the French have established new crafts which
have brought additional cash incomes to villagers, and in certain cases
there has been an exchange of ideas and techniques between individual
[439] craftsmen and private French industrialists. Only in the field of the
artistic crafts has the government seriously tried to find markets for indigenous output, and it was not until the recent war threatened to cut
654 off imported goods that the administration organized a credit system for
217 craftsmen and set up special agencies for their encouragement. As far
874 back as 1907 an Inspectorate of the Fine Arts was established in Cochinchina, Tonkin, and Cambodia. Subsequently museums of outstanding
specimens of native crafts were established, a school of fine arts attached
to the University of Hanoi, local as well as European exhibits organized,
and in 1939 traveling teaching staffs were dispatched to improve village
[467] crafts. Probably the outstanding achievement has been that of organizing
the Cambodian artisans into elastic self-governing guilds, for whom standards of workmanship were set up and sales facilities established.

Industrial

433 By far the most important industry in Indochina was that of mining.
However in recent years other industries have also developed, chiefly

Chinese

those immediately connected with raw materials. The food industries 433 include the processing of rice, rubber, sugar, coffee, tea, and of oleaginous products. Cholon was the center of the rice-milling industry where the factories, most of them Chinese-owned, handled 300 to 1,300 tons of paddy daily. Rice also served as the basic material used by alcohol distilleries and breweries. Sugar was manufactured by small indigenous establishments and by some large European refineries in the south. Silk and cotton were worked by the widespread textile industry, both as handicrafts and in modern factories operated with French capital and techniques. Other industries included paper and sawmills, match factories, soap works, tanneries, pottery manufacture, and tobacco plants. Engineering works included ship building and repair yards, iron works, chemical factories, and electric power stations. Transport also employed [489] considerable numbers of workers, upwards of 10,000 in prewar years. In addition, such public works as the construction of dykes, canals, roads, and railroads regularly employed large labor forces.

The output from Indochina's mines consisted very largely of coal, tin, 316 and zinc, and almost all of it was concentrated in Tonkin. Laos, possibly possessing great undiscovered mineral resources, actually produced only 464 tin in the interwar period. Cambodia mined precious stones exclusively; Annam, coal, phosphates, and ochres; and no mines at all had been developed in Cochinchina. With the exception of somewhat under 2,000 miners, those employed in working mines were located in Tonkin. Until 1929 the number of mining coolies employed rose rapidly until they totalled 53,000, and after a sharp decline to 34,800 in 1934, they again increased to approximately 50,000 on the eve of the Second World War. Tonkinese coal mines were particularly fortunate in being situated near the dense delta population and in a region well endowed with the means of communication.

Until the depression struck hard at Indochina's mining industry, the perennial mine workers were supplemented by seasonal laborers recruited twice a year, in February and in July. The recruiting agents employed were the most trusted *cais* (foremen), who received an expense account of 10 to 20 piastres and an additional 50 cents for each coolie recruited, a bonus being added if their recruits remained for a certain length of time at the mines. Although the several thousand Chinese coolies employed in the mines were valued for their superior endurance and output, their higher premium had resulted in the increasing employment of Annamites drawn from the overpopulated provinces of Nam Dinh, Ninh Binh, and Thai Binh. Recruits were conducted to a camp at Nam Dinh, whence the company provided free transport to the mines, fed the workers during their journey, and inoculated them upon arrival. The depression put an end to seasonal recruiting and placed major dependence upon the settled supply of perennial miners. This was comparatively easy for the acces-

Chinese

316 sibly located coal mines but difficult for those isolated in the mountains, 464 particularly the zinc mines which in the 1930's employed about 5,500 men.

[466] Because of the reluctance of the Annamites to work in the mountains and of the Laotians to work at all, most of the mining companies have tried to reduce their heavy labor turnover by settling and stabilizing their permanent workers. The outstanding development has been that of the Tonkinese coal company, which alone produced more than half of Indochina's total output of that mineral, which has constructed villages for its laborers containing a water supply system, hospitals, cinemas, schools, and markets that are also patronized by nearby villagers. Other mining companies have followed the same principles on a more modest scale, and in the last years before the war the establishment of laborers' villages came to be the accepted practice for those undertakings located in isolated regions which could afford thus to stabilize their labor forces.

Immigrant Labor

167 464 Immigrant labor in Indochina is such an unimportant element in the colony's economy that it has not been included in the general discussion of Indochina's labor problems. Nevertheless it exists and has historical importance, particularly as related to the minorities' situation. Of the three groups of foreign workers in the colony, the Chinese are by far the most important and are followed at a considerable distance by the Javanese and Indians.

167 563 *Chinese.* As elsewhere in Southeast Asia Chinese immigration into Indochina antedated that of Europeans, but in the Annamite countries China's erstwhile sovereignty extending over a thousand-year period had created for the Chinese in Indochina a special status. Spiritually and economically they remained masters in the country. Legally, they enjoyed the same civil rights as the Annamites (and the Cambodians) although they were organized into *bangs* according to dialect and the province of their origin. The heads of the *bangs* were selected by their members, and were responsible to the government for the maintenance of order and for the collection of taxes.

The Chinese came into Indochina both overland and by sea, but it was not until the early nineteenth century that their inflow assumed the character of a migration. They settled principally in Cochinchina, because it was less densely populated than Tonkin and Annam and because that area was endowed with the most extensive natural network of water communications. In Cambodia the Chinese immigrants mingled with the native population and devoted themselves more to farming and fishing than to commerce. In almost all cases the Chinese arrived in groups and spread out through the towns and country markets to acquire a hold on whatever form the dominant economy assumed locally.

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Chinese

The French did little to change the position of the Chinese and probably [463]
strengthened it, because—like the Annamite government before them
—they found the Chinese indispensable, first as provisioners to the army 563
of occupation and then as farmers of indirect taxes, and finally as moneylenders
and middlemen serving as a link between themselves and the
indigenous population. Juridically they came under French commercial
law, and in criminal cases under the native or French code depending
upon whether the other litigant were Asiatic or European. The *bang*
organization was retained but the French tried to control and supervise
it more than the Annamite government had done. In return for exemption [651]
from military and corvée service, the Chinese were required to pay a
higher poll tax than that imposed on other Asiatics. Although since 1920
Europeans paid a similar tax, this impost remained a grievance to the
Chinese and even after the Sino-French treaty of 1935 they received only
the moral satisfaction of having it designated as being imposed on "aliens
granted a privileged status."

The French never allowed Chinese immigration into Indochina to assume 167
the same dimensions as in Siam and Malaya, and as early as 1870
they established a Bureau of Immigration as a controlling authority.
This Bureau showed such zeal in insuring the identification of Chinese
immigrants that it aroused Chinese opposition, particularly to such measures
as fingerprinting and personal investigations, and in 1907 the features
most objectionable to the Chinese were suppressed. Nevertheless
the French insisted that the Chinese should enter the colony only in proportion
as they were needed there, and they were required to be sponsored
by a Chinese already established in Indochina who could answer
for their good conduct and for their solvency. Thus the Chinese component
within the colony was steadily fed and supplemented from identical
groups in China; the heavy tax required of them kept the most
impoverished from seeking admission, and the number of Chinese residents
(about half a million) was considered to be of a manageable size
and not disproportionate to the total population (about 23 million).
According to the 1936 census there were 171,000 Chinese in Cochinchina; [162]
108,000 in Cambodia, 35,000 in Tonkin, 11,000 in Annam, and 3,000 in
Laos.

It was, however, not their numerical preponderance but the economic 563
grip which the Chinese enjoyed and the contempt with which they treated
the Annamites that aroused the latter's animosity, as well as their admiration, 426
and led to occasional demands for a more drastic curtailment of
their immigration. The Chinese aptitude for trading and money making [441]
generally placed the Annamites, who were singularly deficient in such
talents, very much at their mercy. The annual interest rate on loans [461]
charged by the Chinese came to approximately 60 per cent, and the
naïveté, improvidence, and perennial need for money of the native peo-

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563 ples caused the latter to be hopelessly in debt to the former. By tidily
426 combining trade with usury the Chinese loaned ready money to needy
[435] farmers against the security of their next harvest and were thus able to regulate prices and to sell in European as well as Far Eastern markets. Annamite resentment of this stranglehold sometimes took violent forms, particularly in Tonkin, but it became a trump card for the French and one of the major guarantees against either group's becoming a political menace.

563 Most Frenchmen in Indochina have continued to regard the Chinese as indispensable and as stimulators of the country's productivity although there were others, notably the merchant class, who have been made increasingly uncomfortable by Chinese competition and who join the Annamite nationalists in advocating a curb on their activities. Their arguments follow a pattern familiar in Southeast Asia among opponents of unrestricted Chinese immigration, i.e., that the Chinese are only transients in the country; that they drain out of it their enormous profits through remittances to the homeland; and that they form a state-within-a-state, one whose loyalties are oriented toward Chungking's imperialist ambitions regarding Tonkin. The government has not concurred in this viewpoint but has kept a watchful eye on Chinese political and economic
[648] activities. Little success has been registered through its attempts to control Chinese business methods. Only slight inroads have been made on their usury through the establishment of official credit agencies, and the *bang* organization has been strengthened, despite the treaty of 1935, which established Chinese consulates in Indochina and which granted the most-favored-nation treatment to the local Chinese.

[563] Although Chinese labor was widely used in the early days by the French in such public works as building the Yunnan railroad and though
464 at that time French colonists tried to recruit Chinese to work on planta-
463 tions, it was soon evident that once the Chinese laborers had saved a little money they would set themselves up as merchants. The *bang* organization under which the Chinese lived made this transition easy, for it replaced the charitable and mutual aid associations to which the immigrants were accustomed in China and provided the newly arrived with food, shelter, and advice until—and after—the latter obtained employment. Usually the Chinese started humbly as coolies, food vendors, and peddlers, and, working in every trading center where they acquired an intimate knowledge of the district, learned the language and needs of the people, and profitably undertook to satisfy their requirements first in manufactured goods and later in credit. A certain number of them became farmers, chiefly those who owned and worked the pepper plantations along the Gulf of Siam and those who became specialized market gardeners for the main cities. Chinese craftsmen also were to be found in the towns. But only in Tonkin did the Chinese remain as coolies in the

Javanese

local mines. Although the Annamites now predominate in such labor, because they are more numerous, cheaper, and less prone to agitation, nevertheless there remain large groups of Chinese miners there whose assets are a robust physique, great productivity, and a liking for the risks and profits inherent in such work. 464 463

Javanese. A census of foreign laborers taken in 1928 revealed that a vast majority of them—12,000—were Chinese, and that the remaining few were chiefly Javanese. An article written in 1903, which compared Javanese labor favorably to that of the Chinese, early awakened the interest of Cochinchina's planters. The Javanese, it was claimed, were more attached to the soil, had little commercial aptitude, and were more manageable than the more robust but less stable Chinese. However, it required three years for the government of Indochina to overcome the reluctance of the NEI authorities to permit Javanese emigration, and consent was given only after certain specific guarantees were arranged with their future employers. These conditions were subsequently embodied in the decrees of March 8, 1910, and October 28, 1916. [464] 167

All employers desirous of obtaining Javanese laborers were required to apply to the senior administrator in their district, giving details regarding their undertaking and the number of workers desired. The minimum age for Javanese recruits was set at 18. Their contracts had to contain details regarding the worker's identity, the nature, duration, and place of his future employment, the number of holidays, the maximum number of working hours (10), the methods of computing and paying wages, and the total of the advances he had received. Further stipulated were the laborer's right to be accompanied by his family, to be given free lodging, food, and medical attendance (if an operation was required it must be performed by a European surgeon), to repatriation at the employer's expense if he were incapacitated for work, to free food during recovery from an illness, and to decent burial for one who died in service. Javanese women were not to be employed in tasks beyond their strength and were entitled to a month's rest after confinement. No foreman was allowed to trade in any way with the workers employed in the same undertaking as himself. Contracts might be terminated by mutual consent, by a worker's physical incapacitation, and after a year's work, provided the laborer had given three months' notice and had reimbursed the advances made to him plus an indemnity of 50 piastres. Every worker could lodge complaints with a representative of the administration, and breaches of contract were referred to the regular courts and punishable by simple police penalties. 464 466 167

Thanks to these minute regulations, to the services of the Falkenberg Agency, and to the Dutch Government's cooperation in the matter of transport, the first experiments proved highly successful. Of the original group of Javanese workers 45 per cent renewed their contracts, and of 464 167

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464 the second, 85 per cent. The First World War, however, again made the
167 NEI authorities unwilling to have Javanese emigrate in large numbers.
The stricter conditions subsequently imposed for the emigration of a much more limited quota of Javanese workers as well as certain local complications, such as the special food preparation required to meet their Muslim prejudices, reduced the number of Javanese entering Indochina. By 1934 there only remained 210 on Cochinchina's plantations, and the following year the number still further declined to 79, including eight women.

463 *Indians.* Aside from such minor activities as coachmen, night watch-
men, and merchants, the vast majority of Indians in Indochina have been
426 moneylenders (chettyars). In 1933 there were more than 300 chettyars
563 working in about 100 separate establishments. Some were French citizens
from India but most of those who claimed such privileges—to the outrage of the Annamites—had achieved the status through counterfeit papers. There has been no group in Indochina so heartily hated by Annamites and Cambodians alike as the chettyars, for whom is felt none of the admiration and kinship which partially alleviates the native peoples' dislike of the Chinese usurers.

Forced Labor

466 During the interwar period forced labor still existed but only as a
vestige and in remote parts of the colony. In principle, it was forbidden
476 save as an exceptional, transitional measure under carefully specified con-
651 ditions.[1] Among certain primitive, isolated tribes, like the Muongs, cus-
tom has permitted the hereditary chieftains (Thoti) to require some of their dependent families to supply labor for the cultivation of their fields and for the building and repair of their houses. Compensation was made in terms of food, and in famine periods the chief was required to feed his dependents, pay their taxes, and advance to them enough seed and draft animals to plant the next harvest. Among the Annamites there have always been communal duties, like night watching in the fields and the upkeep of roads and wells. In the more advanced areas these are paid for by village dues but elsewhere they are the unrecompensed responsibility of the inhabitants. The physiographical conditions prevalent throughout Indochina have imposed heavy obligations upon the people in such matters as the defense of dykes during flood periods.

631 The French have not attempted to intervene in the feudal relation-
ships prevailing among the more remote tribes, believing that they are
466 still adapted to the present stage of development and that they will even-
tually and automatically disappear through contacts with their more
advanced neighbors,

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[1] Decrees of August 21, 1930, February 5, 1932, and December 30, 1936.

advanced neighbors. In only two other forms has compulsory labor survived, as dues and in the obligation to labor on certain public works. 466 The 1936 decree ruled that labor dues might everywhere be commuted 651 for cash payment. Compulsory labor on public works has been minutely regulated and has followed generally analogous lines in all the states of the Union. The length of annual service required was reduced to sixteen to twenty days and the work restricted to the district in which the worker lived. Mass levies were avoided so as not to empty villages of their able-bodied men during the active agricultural seasons. Appropriate tools were supplied, and health conditions imposed. Generally the [482] requisitioning of labor has been restricted to porterage service in remote regions without other means of transportation. Broadly speaking, the corvée has been as humanized as minute regulations can make it, and the principle has been established that it should be recompensed at regular wages, confined to areas where no free labor is available, and where its use remains indispensable for works of recognized public utility.

3

WORKING CONDITIONS

Wages

In Indochina wages were made up of remuneration in cash and in 465 kind. Payment exclusively in kind prevailed, for example, in undertakings set up in isolated regions where the employer had to provide his workers with both food and lodging. It also was customary for agricultural laborers, whose status was unregulated by law, to be given a quantity of paddy in return for their help at harvest time. Under the contract system employers were bound to supply food. The law prescribed that daily rations for laborers had to contain 3,200 calories and include a certain proportion of fresh foodstuffs. Every worker over fourteen years of age was entitled to receive 700 grams of dry rice, of which a part must be unpolished. In outlying districts employers had to maintain a store selling food and other necessities at the locally prevailing prices. Debts contracted at such stores could not be deducted from the workers' wages. On almost every large plantation hot tea was distributed to laborers, and a daily minimum of 5 litres of pure drinking water. Figures dating from 1930 show that on the eve of the depression 42,664 out of the 81,188 contract workers registered were receiving a free rice ration or a rice ration plus lodgings.

For most contract workers wages were paid largely in money but were

465 often deferred because planters tended to remunerate their workers as infrequently as possible on the ground that when a plantation owed its laborers a sufficiently large sum they were less likely to desert. The law of 1927 aimed to rectify this by specifying that wages must be paid at least once a month, in Indochinese currency, and in the presence of the employer or of his representative. The Labor Inspectorate was charged [454] with the enforcement of this ruling. The deferred payment system (*pecule*), was also made compulsory at this time. The amount of the *pecule* was made up of 5 per cent of the net wages due to the worker with an equal contribution made by the employer. The sums deducted from the worker's wages were withheld every pay day and entered in his work-book. They were paid out to him upon the expiration of his contract. The aim of this measure was to protect the worker so that he might not dissipate all his earnings in gambling or pledge them to the usurer, and might have a considerable sum upon his return home. When first applied the system was regarded with suspicion by the workers, but subsequently it became well liked and survived a threat made during the depression to abolish it. From 1932 to 1934 the sums brought back to Tonkin in the form of *pecule* amounted to about 2 million piastres.

The major lacuna of the 1927 legislation was the lack of a minimum wage regulation, although the fact that any change in the contractual wage-scale had to be approved by the Governor General created in effect a minimum wage for that category of worker. However, contract laborers who failed to appear on working days for certain specified reasons, who refused to work or were unjustifiably absent, or who were ill (not as the result of an industrial accident), were not entitled to receive wages. On the other hand, workers who refused to accept a reduction in their contractual wage were entitled to free repatriation. Cash advances, not exceeding a sum equivalent to two months' wages, might be granted to contract workers, except during the three months preceding the expiration of their contract. Such loans were refunded by monthly deductions which could not exceed a quarter of the worker's wages for that period.

In Indochina wages have varied enormously according to region and occupation. The data amassed by the series of official inquiries into the wages paid in the main areas of employment during the depression furnish some clues as to the conditions prevailing in the early 1930's. In general workers fell into two main categories: those in industrial and agricultural enterprises whose wages were based on daily rates, and salaried employees and domestic servants who were paid by the month. Lowest paid of all were the unskilled workers, in industry and agriculture. In 1933 the current wage amounted to 0.22 piastres a day for men and 0.16 piastres for women in the employment of Asiatics. Theoretically these wages were augmented by 0.02 piastres if the employer were a European. For contract labor employed in the south the guaranteed minimum wage was reduced in May 1935 from 0.30 piastres to 0.27 for men, and from 0.23 piastres to 0.20 for women—but in their case a rice ration and lodgings were supplied gratuitously. In Tonkinese mines during the same period the daily wage varied from 0.20 to 0.30 piastres, but for other types of employment in the north the average daily pay amounted to 0.35 piastres for men and 0.21 piastres for women. Skilled laborers in the north received 0.68 piastres a day and women, 0.25 piastres. In the Saigon-Cholon region the average daily wage for this category of worker came to 1.25 piastres. Native foremen (*cais*) received 1.12 piastres a day, which approximated the income of the lowest stratum of the middle class. 465

Workers paid by the month were well off compared with day-wage laborers. In 1932 servants in northern Indochina received a monthly wage varying from 12 to 30 piastres. Office boys and night watchmen drew pay ranging from 20 to 30 piastres a month, and for the same time period clerks were paid about 50 piastres. Wages for these categories of workers in the south were higher by 40 to 60 per cent.

The greatest regional variations in wage-rates were probably the most marked between Tonkin and Cochinchina. In 1931 the wages paid in Saigon were about double those current in Hanoi, and the great distance between those two cities militated against any equalization between. In the north there were a large majority of miserably paid workers and a small minority of skilled laborers earning somewhat higher wages. In Cochinchina, on the other hand, the wage-scale was higher all around, and the most skilled workers there merged with the petit bourgeois in income-earning capacity. [184]

From 1925 to 1930 a general rise in wages occurred in both the north and the south, but then a rapid decline took place, particularly among the miners in Tonkin whose wages declined by 36 per cent between 1930 and 1933. During the same period other laborers' wages fell by 28 per cent. In estimating the level of real wages it should be noted that the wage rise which occurred between 1925 and 1930 corresponded to a very similar rise in the cost of living, and that beginning in 1930 both wages and cost of living followed a parallel decline. One important factor during the depression, however, was the large number of workers dismissed, so that those who retained their jobs experienced less of a cut than would have been the case had the work been spread out to include a larger personnel.

Even under the comparatively favorable conditions prevailing throughout the 1920's it had never been possible for workers to set aside savings from their surplus income. At all times the average wage in Indochina has been very low, and many workers earned money only during six months of the year. Wages were still further reduced by the squeeze exacted by *cais*, by late wage payments, and by the arbitrary fines too [454] 465 511

[511]
465
[525]
[273]

often imposed by employers. Moreover the Annamite laborer too often succumbed to the temptation to spend his earnings on drink, gambling, or opium. Even if he resisted such lures, the cost of food was such that it accounted for three-fourths of many laborers' expenditures. From almost every point of view the status of the average Annamite worker was a very wretched one. The remuneration for agricultural labor apparently left workers with no wider margins. Even in good crop years farmers were unable to save, and after a poor harvest, sickness, or any untoward circumstance he was brought to the verge of starvation. The wage reductions effected during the depression years cut so near the quick that they led in some cases to violence and bloodshed.

One of the most debated points in the labor legislation transplanted under the Front Populaire legislation to Indochina was the decision to

TABLE VIII: AVERAGE DAILY WAGES PAID BY COAL MINING AND METAL MINING COMPANIES IN TONKIN AND LAOS, 1931, AND 1933 TO 1936 *

			In Piastres		
	1931	*1933*	*1934*	*1935*	*1936*
Occupation			*Société Française des Charbonnages du Tonkin*		
Miners	0.59	0.45	0.35	0.32	0.38
Timbermen	.66	.45	.35	.32	.38
Trammers	.45	.36	.26	.23	.29
Blacksmiths †	1.20	.75	.70	.63	.69
Laborers	.36	.28	.28	.24	.26
			Société des Charbonnages du Tuyen-quang		
Miners	.42	.42	.41	.40	.38
Timbermen	.48	.48	.36	.35	.38
Trammers	.32	.33	.27	.22	.27
Blacksmiths	.52	.50	.67	.60	.58
Laborers	.38	.30	.27	.23	.23
			Mines de Chodien (Tonkin)		
Miners	.40	.39	.28	.28	.30
Timbermen	.40	.39	.28	.28	.30
Trammers	.36	.37	.28	.28	.30
Blacksmiths	1.00	.80	.80	.60	.70
Laborers	.34	.34	.27	.27	.30
			Société de Dong-trien		
Miners	.70	.50	.40	.35	.38
Timbermen	.60	.50	.40	.35	.38
Trammers	.50	.40	.20	.20	.23
Blacksmiths	.85	.70	.50	.45	.50
Laborers	.36	.28	.20	.20	.22
			Mines de Tinh-Tue (Tonkin)		
Miners	..	.38	.42	.38	.38
Timbermen	..	.41	.60	..	..
Trammers	..	.34	.35	.35	.38
Blacksmiths	..	.77	.74	.65	.85
Laborers	..	.31	.35	.30	.34

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* *Civil Affairs Handbook, French Indo-China, Labor,* Army Forces Manual, Washington, D.C., 1944, p. 32.

† Chinese blacksmiths employed at this mine.

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TABLE IX: DAILY WAGES OF NATIVE WORKERS IN DIFFERENT INDUSTRIES IN COCHINCHINA (OCTOBER 1938) *

Occupation	*Railway and Other Transportation*	*Building*	*Printing and Book Binding*
	In Piastres		
Sawyers	0.80–1.40	..	..
Carpenters	.80–1.50	.60–1.40	..
Joiners	.75–1.40	.80–1.00	1.10
Painters	.55–1.20	..	..
Other wood workers	.70–1.10	..	..
Fitters	.50–1.90	1.10–1.65	..
Foundrymen	..	.85–1.40	..
Boilermakers	.50–2.10	.50–2.00	..
Blacksmiths	.80–1.90	.50–2.00	..
Tinsmiths	.55–1.20	..	..
Turners	.60–1.90	.90–2.00	..
Riveters	1.20–1.30	..	..
Coppersmiths	.90–2.10	..	..
Solderers	1.20–1.80	..	..
Other metal workers	.50–1.50	.55–1.75	..
Locomotive engineers	1.30–1.50	..	..
Locomotive firemen	.65–1.30	..	..
Motor truck drivers	.70–1.40	..	..
Electricians	.65–1.80	.75–1.35	..
Rivet heaters	.80–1.00	..	..
Masons	.85–1.30	..	..
Millers	.50–1.60	..	..
Foremen	1.00–1.55	.90–1.60	..
Laborers, skilled	.90–1.50	1.20–1.30	..
Laborers, skilled, female	.65– .95	1.00–1.60	..
Coolies	.65–1.40	.50–1.60	.60–1.10
Cement makers	..	.90	..
Firemen	..	.90–1.20	..
Printing machine operators	..	..	.60–2.20
Compositors	..	..	.60–2.10
Type founders	..	..	1.00–1.60
Book binders and sewers	..	..	.60–2.30
Draftsmen	..	..	1.20–1.80
Lithographers	..	..	2.20

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* *Civil Affairs Handbook, cit.*, p. 30.

establish a minimum wage. After much haggling it was laid down, in the decree of December 30, 1936, that compulsory minimum wages would be fixed in all industrial and commercial occupations for men, women and adolescents, and for the various districts in accordance with local variations in the cost of living. Committees appointed by the Governors or Residents Superior and including employers' representatives, native members of elected bodies, and the local labor inspector were to meet annually in order to fix the minimum wage for each district. In exceptional circumstances where there occurred changes in living costs, these committees must be convened to readjust the scale. Piece rates were to be established so as to allow the worker of average ability to earn in a day of statutory length a wage at least equal to the minimum rate laid down for his district. Wages must be paid in legal currency at least once

465 monthly. No deductions from wages were to be made by the employer for supplying equipment, except in cases where the tools issued to a worker were missing at the time he left his position.

The clause of the 1936 edict forbidding the imposition of fines was the measure against which the employers' organizations in Indochina leveled their most virulent criticism. They claimed, with some justice, that such a prohibition might turn to the worker's disadvantage since, in its absence and for only slight errors, he would be subject to dismissal as the only corrective left open to protect the employer. On the other hand, it was well known that recourse to fines had been a longstanding abuse on the part of many local employers.

While the 1936 legislation marked a great improvement, a number of gaps still needed filling. Moreover, certain situations needing to be rectified could not be met by even the most benevolent legislation. It would not do to suppress the opportunities for gambling and opium dens if alternative and less deleterious recreations were not made available to workers and accessible savings banks were not established. More important, the Indochinese laborer's purchasing power required an appreciable increase in order that he might regularly have some surplus beyond his and his family's most vital needs. Positive action in this field would entail the encouragement of a genuine cooperative thrift movement. Im- [273 548] portant negative measures would be required, including the withdrawal of licenses for gambling and opium dens and the abolishment of the alcohol excise which has led to the official encouragement of per capita consumption.

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TABLE X: AVERAGE DAILY WAGES IN NORTH AND SOUTH INDOCHINA, 1931, 1934, 1936, AND 1937 *

In Piastres

Class of Workers and Year	*Hanoi*	*Haiphong*	*Other Tonkinese Centers*	*Annam*	*Saigon*	*All North*	*All South*
Skilled Workers							
1931	0.63	0.79	0.62	0.81	1.50	0.74 †	1.50 †
1934	.61	.58	.53	.69	1.22	.62 †	1.19 †
1936	.54	.56	.45	.59	1.13	.56 †	1.10 †
1937	.59	.55	.53	.62	1.12	.63 †	1.17 †
Laborers, male							
1931	.36	.37	.31	.37	.74	.38 †	.74 †
1934	.29	.30	.26	.25	.56	.29 †	.55 †
1936	.26	.26	.27	.24	.54	.26 †	.53 †
1937	.28	.30	.29	.25	.62	.28 †	.61
Laborers, female							
1931	.22	.31	.18	.25	.45	.22	.45
1934	.20	.21	.15	.19	.43	.19	.43
1936	.18	.17	.15	.15	.38	.18	.38
1937	.20	.21	.18	.19	.42	.19	.42

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* *Civil Affairs Handbook, cit.*, p. 29.

† Including railroad and street railway workers.

Hours of Work

Working hours were regulated for contract labor before they were for 466 other forms of labor. If work were carried out on a daily basis, the maximum number of hours permitted was ten, including the time required for the journey between home and the place of work. In effect, this resulted in a nine-hour working day, and in some districts where health conditions had not yet been placed on a satisfactory footing certain managers reduced the working hours to eight. Where work was organized on a task basis, the amount of labor assigned to any worker was required not to exceed what he could reasonably perform in the maximum number of hours fixed on a daily basis. In addition to his regular daily work, each laborer had to spend two hours a week without pay in cleaning his quarters. If a laborer were required to work overtime on some urgent and exceptional task, he was to be paid 1½ times the normal rate. In Cambodia a more specific regulation, of November 2, 1928, decreed that workers might not be awakened before 4:30 A.M. or be returned to their camp later than 5:30 P.M.

The law also provided for a two-hour rest period about noon, and, if workers habitually spent this respite at their place of work, shelters against the sun and the rain had to be provided. Workers were entitled to one day of rest weekly, but with their employer's consent they might take two consecutive rest days in a two-week period. In addition they were granted four holidays at Tet (New Year) and on certain festivals which usually fell about June 9 and August 15. No wages were paid or food supplied on these rest days, but employers had to guarantee their laborers not less than twenty-five days of paid employment each month.

The first regulation of working hours for non-contract labor dated [464] from 1933 and applied only to certain categories of industrial workers. This measure specified that boys under fifteen years of age and girls under eighteen might not be employed for more than ten hours a day, during which rest periods must be given totaling a minimum of one hour. Some types of labor could not be employed in night work (11 P.M. to 5 A.M.) and the nightly rest period had to last eleven consecutive hours except in emergencies when it might be reduced to ten. During confinement women were entitled to eight consecutive weeks without work. Not only was this legislation extremely restricted in the categories of laborers to which it was applicable, but also it made no reference to a weekly rest day.

When a study of Front Populaire legislation was being made in 1936 for application to the colony, the native Indochina Congress adopted a series of demands which included a 40-hour week for miners and a 48-hour week for other classes of workers, prohibition of night work, a compulsory weekly rest day, and a fortnight's paid vacation each year. The

466 employer groups, discussing the same subject, were of the opinion that a cut-and-dried limitation of working hours was impossible for most agricultural and industrial undertakings, but they were unanimously agreed upon the principle of a two weeks' paid vacation annually.

When the law was finally promulgated in December 1936, working hours were still fixed at ten a day for all wage-earning employees of either sex and any age, but from January 1, 1938, hours were universally to be reduced to nine, and beginning a year later, to eight. Moreover, night work was now prohibited for all children under fifteen years of age and for women without any age limit. A supplementary decree issued at about the same time made a weekly rest day compulsory in industrial and commercial establishments of all types. Annual holidays with pay became the right of all workers in industry, commerce and the liberal professions. From January 1, 1937, they were fixed at a maximum of five days and from January 1, 1938, at ten days.

Health and Safety Regulations

166 Contract workers were required to undergo two free medical examinations in the north before they were transported to plantations in the
466 south, and they all had to be vaccinated against smallpox and such other epidemic diseases as the local medical authorities deemed necessary. Recruiting agencies were required to maintain camps at the ports of embarkation (Ben-thuy, Tourane, and Quinhon in Annam, and at Haiphong in Tonkin). These camps, of which that of Haiphong was the largest and best, had to be constructed according to specified standards of hygiene and to include a properly equipped hospital. Emigrants from Annam were in the charge of special administrators and those from Tonkin were placed under the Supervisory Office for Workers Emigration —a bureau established in 1929 and attached to the Labor Inspectorate. Every vessel transporting laborers to the south had to be inspected before each sailing by the authorities, including medical officers, who saw to it that the regulations fixing the cubic air space per person, the bedding supplied, and the number of individuals transported, were enforced. Upon embarkation each worker was entitled to receive from the recruiting agent a linen suit, a banana-leaf raincoat, a blanket, a mosquito net, a mat, a ricebowl, and two chopsticks. A government official traveled on the ship to see that the workers' living quarters and food were maintained up to legal standards.

Upon arrival in Saigon, a representative of the Immigration Service boarded the vessel to check on the number of immigrants. Within forty-eight hours of their arrival the immigrants were sent to a camp at Xom-Chieu and were subjected to another medical examination. Workers found to be physically unfit were repatriated at the agent's expense, and

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those passed were at once turned over to their employers, who were required to provide transportation to their place of work. The only additional clothing supplied by the employer was free footgear, which was given only to workers assigned to clearing land.

For the duration of their contract, workers remained under the supervision of the chief district medical officer whose responsibilities were discharged either directly through personal visits to plantations or via reports made by the labor inspector. If either official deemed it fit, he could require any enterprise to improve its standards of hygiene and, if employers proved recalcitrant, the local government itself made the necessary improvements at the former's expense. Every employer of contract labor was required to make monthly reports to a representative of the local health services as to the number of cases of illness, death, and the causes thereof. Laborers excused from work on grounds of illness were entitled to free medical care, including hospitalization. The local government fixed the payment to be made by employers to cover the cost of hospital treatment for their workers. Every undertaking employing fewer than 50 workers had to maintain a drug-stocked first aid post; those with more than 50 employees, an emergency room and hospital ward containing a minimum of six beds per 100 workers, and a nursing staff comprising at least one hospital attendant per 300 workers under the direction of a doctor, who was required to visit each month every plantation employing more than 500 laborers. Detailed regulations governed the maintenance of ambulances, the distribution of quinine, the use of mosquito nets, etc., particularly for plantations located in the redlands of Cambodia which were especially unhealthy.

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One major factor in the improved health conditions noted on the southern plantations after 1928 was the special prophylactic anti-malarial measures adopted under the auspices of the Pasteur Institute, which operated a special service in all places of public work in Indochina. This service accounted as much for the decline in plantation mortality—5.4 per cent in 1927, 2.83 per cent in 1929, and 2.32 per cent in 1932—as did the reduction in the number of workers. The authorities, however, considered the rate as still far too high considering that it occurred among young persons who had passed three medical examinations. It had been noted that the incidence of sickness and of death was highest among those recently arrived, and in undertakings where land was being cleared preparatory to planting operations.

Some of the most essential health measures initiated by the 1927 decree were not extended to non-contract workers, notably the provisions relating to clothing and housing accommodations, the destruction of mosquitoes, quinine supplies, latrines, etc. Only in the mining industry of Tonkin had the authorities introduced comprehensive regulations. A law of April 7, 1910, stipulated that the provincial commissioner must be

466 immediately notified of all accidents so that he could send an official to make an on-the-spot report, and in 1912 all mine-owners were required to observe the instructions issued by the Mines Inspection Service in the interests of workers' safety. The law of November 17, 1925, contained a number of provisions regarding recruiting centers, miners' lodgings, drinking water, food supplies, medical attendance, and industrial accidents. [759] A first aid post had to be maintained, irrespective of the number of workers employed, wherever the labor involved was particularly dangerous. As a general rule where there was a fair number of workers there was an infirmary with a male nurse, an ambulance and a doctor. In places where more than 2,000 workers were employed the presence of a doctor on the premises was obligatory. Every accident, whether fatal or not, had to be officially reported both by the employer and by a European doctor. The cost of hospitalization for sick or injured miners was to be borne by the employer, and he was required to repatriate permanently incapacitated employees without charge.

In Annam protective measures for workers engaged in railroad construction were introduced by a law of June 3, 1922. The conditions governing the recruiting, housing, food, and medical care of such workers were carefully defined but no reference was made to accidents. Ten years later this law was made applicable in Laos. A later measure, that of May 29, 1930, required the organization of a medical service for workers employed on the Tanap-Thakkek line. In Cochinchina the same standard regulations regarding recruitment, housing, food, etc., were provided by a law of August 28, 1928, but only for the protection of laborers in public works where more than fifty coolies were employed.

For all Indochina a special order of March 5, 1932, regulated dangerous, unhealthy, or noxious undertakings, such as explosive works, but it was the decree of January 19, 1933, which first specifically laid down the precautions to be taken for the protection of laborers against injuries and occupational diseases. A much more comprehensive decree dated exactly five months later regulated health and safety measures for non-contract workers. It stipulated the installation of protective devices and additional provisions on behalf of women and children. All work likely to "imperil morality or give rise to danger" was forbidden the latter, as well as the general use of lead or lead derivatives in painting operations of any kind.

The main provisions of the local version of the 1936 Front Populaire legislation were concerned with the fencing off of power and other machinery and transmission gear, and with the ventilation and lighting of working premises. In certain cases employers might be required to provide lodgings for all or part of their workers, and all of them had to ensure the supply of pure drinking water, quinine, etc.

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Workmen's Compensation

The regulations discussed under health and safety measures were concerned with compensation for industrial accidents in only an incidental [563] way. The only system of workmen's compensation in Indochina of which the writer is aware was that introduced in 1934 exclusively for the few 466 thousand workmen of French nationality in the colony. This provided for daily compensation and the cost of medical attendance, drugs, funeral expenses, pensions to the incapacitated—all to be borne by the employer whether or not the injured worker had been negligent. This decree not only excluded Asiatic workers but made no reference to occupational diseases because the medical authorities felt that it was practically impossible, in Indochina, to differentiate general tropical from industrial diseases at all accurately.

Considerable discussion and dissatisfaction were caused by the exclusion of the bulk of Indochina's workers from benefiting by this law. The employers' argument against extending it to Asiatic laborers was their fear that such workers' natural laziness would induce them to fake accidents in order to obtain the prescribed benefits. The universal application of this measure would have encountered practical difficulties, chiefly because of the lack of vital statistics for the whole population, but it was unlikely that the Annamites would run counter to their religious scruples against bodily mutilation in order to benefit fraudulently by compensation. Many French employers already paid accident compensation to their workmen but a more universal and standardized treatment, as well as the inclusion of all Asiatic employers in such measures, was needed. The extension of the 1934 law to Asiatic workers was seriously considered in the 1930's but such a step was probably prevented by the outbreak of war.

In this field, as in so many others, contract workers were better off than free laborers. One aim of the 1927 law was to provide for the maintenance of a contract worker's full wages during periods of absence caused by accidents, but it did not ensure actual compensation for the injury sustained. Some employers indemnified their injured workmen by paying a very small lump sum. Compensation claims made by the [671] injured party on the basis of ordinary law were handled in different ways, depending upon the nationality of both the employer and the employee. When one of the parties was French, the Code Napoleon was applied. When both parties were natives, the various laws of the different states of the Union were applicable, and the concept upon which they rested was not dissimilar to that which lay behind analogous French legislation.

Housing

342 The average Indochinese peasant has always lived in a house of his own primitive construction. Its basic material was mud or wood, covered with thatch, and without flooring or tiles. The framework was assembled by the owners, his family, and sometimes his neighbors, without benefit of nails. In this way housing for the mass of the people, who lived in rural areas, presented no special problem.

362 [651] The urban situation was different and as long ago as 1928 Saigon was experiencing a housing shortage. That year the French law of December 5, 1922, was adapted to local needs, and provision was made for tax abatements on cheap dwellings. These were also exempted from the land tax for a period of fourteen years after their construction. The high rentals in the southern capital induced the government to aid natives and Europeans with small incomes to find decent lodgings. The same measures were not extended to other cities of the Union—possibly because the housing situation was more acute in Saigon than elsewhere but more likely because Cochinchina could far better afford such a program than the other states. In more recent years the housing shortage has become acute elsewhere, particularly in Hanoi.

466 362 Contract workers were legally entitled to free accommodations, for themselves and for their families. Such housing had to be built for them before they arrived, and it could not be occupied until a written permit was issued by the district administrator after consultation with a representative of the Public Health Department.

The regulations drew a distinction between permanent and provisional dwellings (collective buildings with walls and roofs of straw or woven bamboo). The latter were permitted to be used only for a period of three years on a new plantation or on sections of old estates where development was still going on. Permanent lodgings (collective or individual buildings of wood, brick, or mud, with a roof of straw, tiles, or corrugated iron) were the officially accepted form of housing. In both types of quarters there had to be provided a minimum of three square meters of covered surface per adult occupant, and the surroundings had to be cleared within a radius of not less than 300 meters. Generally, contract workers on southern plantations were accommodated in individual huts, grouped together to form a camp or village, or in well equipped barracks. [563] The regulations stipulated that separate groups of dwellings had to be provided for workers of different nationalities.

The law of October 25, 1927, extended a limited number of these protective measures to free laborers, but an important omission was that requiring clearance of the vegetation from the vicinity of workers' dwellings. Some employers in sparcely settled areas, notably the coal mines of Tonkin, have built very well equipped villages to stabilize their labor

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466 forces. Certain of these settlements include electrical plants, a cinema, and markets, in addition to the other amenities required by law.

632 Apparently workers' housing has not been considered of outstanding importance. No mention of it was made in the list of demands presented by the Indochina Congress, nor in the comprehensive law of December 1936, except in connection with contract workers.

Unemployment

464 In the discussion of recruiting it was noted that Indochina's employers have advocated as an alternative to strict governmental control the establishment of public employment exchanges in Tonkin. The Governor General turned down this suggestion on the ground that Indochina's rural population was not as yet sufficiently developed to permit such organizations to work effectively. In 1929, when the depression was beginning to strike the colony, employment agencies were set up in Saigon and Hanoi for the exclusive purpose of assisting discharged war veterans and other unemployed Europeans to find work.

In the years immediately following, most business firms and the administration drastically reduced their personnel. Beginning with the middle of 1931 dismissal in Tonkin affected 103 Europeans and 9,758 Annamites (or 17 per cent and 9.2 per cent of those so employed). In Cochinchina the percentage of dismissals was about the same for Europeans but much higher for Annamite and Chinese workers. The industrial districts of North Annam and the mining enterprises of Laos were both affected, but few enterprises in Cambodia. The dismissed native workers apparently adapted themselves to the situation by returning to agricultural and other types of family work in their native villages, and unemployment affected Europeans far more acutely.

The employment exchanges set up in the commercial centers of Saigon and Hanoi in 1929 tried to find work for the large number of French citizens registered with them. But at the end of 1930, 162 Europeans were still out of work in southern Indochina, and the Hanoi bureau had been able to find jobs for only 21 out of the 113 applicants on its books. The following year the Governor General asked the Labor Inspectorate to collect data in regard to the employment agencies. A considerable effort was also made to repatriate unemployed Frenchmen. At the beginning of 1932 unemployed Europeans in Indochina totaled 746 and their number increased during the following year.

464 563 A French decree of 1933, designed to protect indigenous workers by restricting the employment of foreigners, was applied in Indochina the following year. By this law the great majority of positions in Indochina's enterprises, both public and private, were reserved to French citizens by limiting the proportion of aliens employable in public works

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464 563 to 33 per cent for those entailing an expenditure of 30,000 piastres; to 50 per cent for public works employing less than six Europeans or assimilated persons; to 10 per cent for enterprises working state land covering more than 300 hectares; to 20 per cent for all privately owned undertakings of an industrial, commercial, or agricultural nature; and to 10 per cent for fuel mines and 25 per cent for all other types of mining enterprises. At the same time a census was taken of the foreign staff employed in all private undertakings and on concessions.

466 No system of unemployment insurance was established in Indochina but a law of February 1937 provided for the grant of a wage bonus of 100 piastres yearly to manual workers or salaried employees of French nationality subject to the risk of unemployment far from home. The bonus was payable when a worker left his employment. This measure led to the extension or, in some cases, to the establishment in Indochina of numerous welfare and superannuation funds for such persons.

Women and Children

464 466 In the decree of 1927 it was stipulated that women and adolescents might not be employed in industrial work beyond their strength and women were entitled to a month's rest with pay after childbirth. The employment of children under twelve was prohibited by a decree of January 1933 in all establishments except family workshops and handicraft industries in which not more than ten workers were employed. The same law specified that the maximum number of working hours for this category of workers was ten, and that the daily rest periods should total a one-hour minimum. No night work was permitted between the hours of 11 P.M. and 5 A.M. except in emergencies.

874 The decree of December 30, 1936, marked a great advance in the legislation governing the work of women and children, and in it appeared the first law regarding apprenticeship. No child thenceforth might be employed as an apprentice under the age of twelve, and, when apprentices reached twenty years of age, they were to be classed as adult workers. In workshops other than those of craftsmen the number of apprentices might not exceed one-third of the total number of workers employed. All commercial or industrial enterprises requiring technically trained workers and employing more than thirty skilled laborers were compelled to hire a number of apprentices equal to one-tenth of the total number of workers employed.

This same decree forbade employing women of any age and boys under eighteen years in night work, except in cases specifically authorized by the Governor General, and any women and boys under fifteen in mines and quarries. Children under twelve years of age might not be employed in theatres or in itinerant occupations. Women working in stores were

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to be furnished with seats or stools. Pregnant women were granted eight 464
consecutive weeks for their confinement—during which period they were
not subject to dismissal but received no wages—and after their return 466
to work they were to be allowed rest periods to nurse their child until it was one year old. Labor inspectors at any time could require the medical examination of young workers to determine whether or not they were physically equal to their tasks.

Comprehensive as was this legislation, it failed to cover women and children engaged in agriculture.

Intermediaries

As elsewhere in Southeast Asia, employers in Indochina have been led [571]
by their lack of knowledge of native languages and customs to employ
intermediaries, or *cais*. The functions of the *cai* varied—he might be a 464
recruiting agent, a foreman, or an estate shopkeeper—but always he was
interposed between the employer and his employees. As a subcontractor 445
the *cai* engaged and paid the required number of workers and he or- 563
ganized their output. On other estates he might only recruit laborers. In still other cases, he simply directed their work. At times the *cai* was only the laborers' provisioner of food. But in each of these capacities he had opportunities to make illicit gains; he was often brutal and unscrupulous in forcing deductions from wages, withholding provisions, etc. The government intervened only to check the abuses perpetrated by the *cai* as recruiting agent and to prevent his profiteering at company stores. The government justified its continued toleration of the *cai* in his other capacities on the grounds that it was obviously to the employers' interest to eliminate the whole system so that with time the *cai* would be voluntarily dispensed with.

The curtailment of the *cai's* activities as recruiting agent has already 466
been described among the earlier official attempts at labor legislation.
The effort to release laborers from the *cai's* stranglehold on company 444
stores dated from the 1936 decree. Therein it was laid down that such stores might be operated only on condition that the local employees be not compelled to buy from them, that neither the employer nor the *cai* derive profits therefrom, and that store accounts be kept entirely separate from the payroll. A subcontractor might not run a store for his employees, either directly or indirectly, the price of goods sold in the store had to be posted conspicuously and printed both in French and the vernacular, and labor inspectors were entitled to inspect stores and to close down those which persistently disregarded these regulations.

As in so many other aspects of the local labor problem, the best legisla- 466
tion can be of only negative effectiveness. When Indochina's employer class becomes a stable, experienced, and linguistically trained group,

466 the *cai* will automatically cease to exercise his malevolent influence over the laboring population.

4

LABOR LEGISLATION

In Indochina labor legislation was fragmentary until the close of the First World War, when the development of plantations and the return of Annamite laborers from France required the institution of more comprehensive measures. Such legislation was first concerned almost exclusively with the stabilization of contract labor and then with the protection of contract workers. Only in the late 1930's was there discernible an analogous legal framework designed for the benefit of free workers.

466 Labor was first subjected to regulation in Tonkin. As has already been
166 mentioned, the administration was so eager to repopulate the middle
region devastated by the conquest that it gave away huge concessions
425 without realizing that such lands had been only temporarily abandoned by their native owners. Upon their return, these ousted proprietors refused to work for the French colonists whom they regarded as usurpers, and the local mandarins were generally uncooperative about using their influence to secure a labor force for the concessionaires. The colonists, already aggrieved that Tonkin had been misrepresented to them as a land teeming with manpower, turned to the administration, demanding that it requisition laborers. The administration refused this but did feel sufficient responsibility toward the colonists to make identity cards compulsory for laborers and to bring to justice those proven to have broken their contractual obligations. The colonists felt this to be totally inadequate, claiming that the procedure involved was expensive, time-consuming, and ineffectual. In 1896, when French law was substituted for the Annamite code, thereby abrogating all but the ultimate physical penalty for offenders, they felt that they had lost the last shred of legal protection against delinquent laborers.

466 Two years later when the government did occupy itself with labor contracts, its main objective was to force employers to recompense the state for the loss of their laborers' corvée services, and only a subsidiary clause required that a copy of all labor contracts be deposited with the local administrator. However, the following year a more comprehensive edict was promulgated establishing the conditions for labor contracts in Tonkin. The identity card obligation was retained, contracts might not be made for more or for less than a year, and imprison-

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ment (one to five days) and fines (one to fifteen francs) were imposable upon the laborer who broke his agreement. 466

In 1902 this edict was extended to Cochinchina, Annam, and Cambodia, and nine years later to Laos. Until the eve of the war it remained the only labor charter Indochina possessed. In 1898 a ruling applicable exclusively to Asiatic laborers employed by French planters and ranchers in Cambodia had exonerated workers from payment of the poll tax and all labor dues and corvées, in substitution for which the employers were required to pay two francs per worker to the state and to register a copy of their labor contracts with the highest local administrator. [51]

In Cochinchina the government's earliest intervention in labor problems had been to regulate the status of domestic servants by the compulsory issue of identity cards. At first the area developed so slowly that the 1896 edict of Tonkin was not applied until Cochinchina's western provinces were opened up to colonization. As in the north such measures failed to satisfy the local planters and in addition they were unable to recruit laborers from the north for an indefinite period and by individual contracts. They felt that the administration's measures were not taken in their interests but were designed primarily to remove both workers and European agricultural holdings from the jurisdiction of the Annamite authorities. [357]

The first labor law applicable to the whole Union was the edict of March 6, 1910. This measure for the first time brought labor recruiting under the control of the local administration, set up supervising labor inspectorates, required that labor contracts be first registered at Saigon and then sent to the Resident Superior of the province in which the worker was to be employed, and regulated such working conditions as the employment of women, repatriation, and the like. This law marked the second major step in Indochina's labor legislation and remained in force until the wartime development of such local industries as rubber and coal, of large stock companies in which the old-time personal relationships between employer and employee were largely eliminated, and class consciousness on the part of Annamite laborers returned from France. These all necessitated the framing of new measures. [178]

On Armistice Day itself Governor Sarraut drew up a code so comprehensive that its provisions have not yet been totally superseded, despite the increased tempo of Indochina's subsequent development. State control was established from the moment a labor contract was signed to the day when the worker was returned to his native village. The contract had to be deposited with the authorities, its duration was not to exceed three years of labor, and work was limited to a ten-hour day with extra pay for overtime. Contract coolies had the right to free medical care, lodgings, and the presence of their families, but also more specific penalties were imposed upon those breaking their contracts. Desertion was

466 defined as an unauthorized absence of forty-eight hours or more from the plantation and was punishable by six to sixty days' imprisonment and a fine of 16 to 20 francs. To assure execution of the law, Residents Superior were empowered to inspect plantations and were required to see that a quarterly statement regarding laborers' accounts was forwarded to Saigon.

The expansion of Indochina's industries in the 1920's, the continuing complaints of Cochinchina's employers as to the costliness and delays involved in imposing penal sanctions upon delinquent coolies, and the first appearance of serious labor disputes in the colony—all demanded the revision and amplification of the 1918 regulations. Governor Varenne devoted serious study to the situation before drafting his important edict of October 25, 1927. He tried to simplify and improve the formalities regulating recruiting but refused the planters' request to recruit labor without preliminary authorization and in any numbers and areas they could. Recruiting was more closely supervised than theretofore, the maximum duration of a contract was fixed at five years for labor in foreign countries and at three years for Indochina. The legal working day remained fixed at ten hours, minimum food rations were established, the payment of wages and workers' housing were minutely regulated, a system of workmen's savings (*pecule*) was made obligatory, and a special labor inspectorate was created to deal with offenses against contracts of employment.

464 [445] Recruiting workers from the densely populated north for labor on the plantations of the underpopulated south did not become a serious problem until the First World War period. By that time professional recruiting had developed very rapidly in Tonkin and Annam. Recruiting agencies undertook to get workers' contracts signed, made the necessary advances to the recruits, and shipped them to their place of future work. The methods applied by all of these professional recruiters were identical since they had to employ Annamite intermediaries, who alone were able to persuade their compatriots to sign labor contracts. In turn these intermediaries usually employed indigenous agents who, more often than not, had neither knowledge of the laws governing contracts nor conscientious scruples against misrepresenting the conditions of living and of working involved.

464 166 The rubber boom of the mid-1920's stimulated a rapid expansion of the southern plantations and consequently an increase in the number of coolies recruited in the north. In 1927, when the number of contract workers employed in the south had risen to more than 20,000, the government undertook an inquiry to determine exactly what were that area's requirements in agricultural workers and to what extent Tonkin and Annam could meet this demand without depleting their own labor supply. The conclusion reached was that if the demand were spread

over four years and if allowances were made for desertions, repatriations, etc., about 25,000 immigrant workers would have to be brought south annually. Moreover it was concluded that the north provided ample labor reserves for southern needs, especially if recruiting were to include northern Annam as well as Tonkin.

In consequence of this report the administration placed no limit upon recruiting in Tonkin but restricted such activities in northern Annam to 8,000 workers annually, of whom only 1,000 could be sent to labor in the Pacific Islands. Permits were to be granted by the Governor General for recruiting laborers to work outside the colony, and by the Residents Superior for those recruited to work within Indochina. It was stated that the sole purpose of controlling the issue of permits was to enable the government to keep tabs on the operations of recruiting agents and the degree to which employers were complying with the regulations. Such supervision entailed satisfying the administration that the conditions of employment stipulated in the contract were in accordance with the laws and were agreed to voluntarily by the recruit, and that the laborers so hired were physically fit and adequately cared for by the agents at the ports of embarkation and on the ships transporting them to the south.

Before these regulations governing recruiting could be put into effect, an active campaign against the whole principle spread rapidly among the employer group in Tonkin. The official view was that this campaign was inspired by anti-French elements and that ammunition for it derived from only a small group of disgruntled workers who had returned from working in southern plantations. Nevertheless it was admitted that bad conditions existed in the south, particularly on hastily developed plantations and during the clearing operations that preceded rubber planting.

Tonkinese employers were less concerned with the humanitarian aspect of the question than with the fear lest large-scale recruiting deplete their local supply of cheap labor. Southern planters, on their side, resented such obstacles as were placed in the way of their freely recruiting labor where they pleased, complaining that the laws enacted for the protection of their working forces were already increasing their costs to such an extent that the labor accounted for three-fourths of the production price of rubber. They claimed that the administration itself did not feel bound to provide the same amenities for its own laborers as were required of private employers, and that it should assume some of the expense involved, such as the building of hospitals in the plantation areas. The northern states, they asserted, did not lose financially by the exodus of laborers, thanks to the tax imposed upon emigrant workers, and the 3 per cent increase annually registered by Tonkin's population was so large that the emigration of workers was a blessing to that state rather than a drain on its manpower. The assassination of the director of a

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464 private recruiting agency in Tonkin, at the height of this controversy in 1929, pointed up the issues and led the government to reorganize the 166 recruiting system the following year.

Governor Pasquier, in a circular written in 1929 to local administrators, asked them to publicize the official policy in regard to labor relations. He stressed that the government's role was that of supervision and inspection, and that it in no way encouraged recruiting. The law he proposed (July 16, 1930) laid down the principle that only recruiting agents recognized as satisfactory would be licensed and that they must be responsible for the actions of their employees. Recruiting permits were valid for a maximum of six months and specified the area in which recruiting could be done. Previous measures to ensure the recruit's voluntary adherence to and understanding of his contract, his physical fitness for the work specified and his care at the hands of the agent were reinforced. The information volunteered by the recruit, and particulars about his physical condition and the medical care he had received, were all entered upon his work-book, copies of which were to be deposited with the employer, the local police, the labor inspectorate and the immigration service. Once the contract was signed, the recruit had to be fed, housed, clothed to a specific extent, and transported in ships meeting the official requirements—all at the agent's expense.

The depression, by automatically reducing the number of workers recruited for southern plantations, eased some of the difficulties involved in applying these regulations. But the government was not fully satisfied that recruiting could be solved by appropriate regulations well enforced. The attention of southern planters was officially called to their failure to make conditions of employment sufficiently satisfactory psychologically to attract recruits. But the planters did not, and possibly could not, heed such appeals. Economic conditions became such that the recruiting of contract labor declined until it stopped altogether in 1931–1932. When it was resumed in 1933 a reduction in the minimum wage had been sanctioned.

Labor Inspectorates

[647] To see that its measures were enforced, the 1927 edict had established a General Labor Inspectorate to secure uniform protection for contract 466 laborers throughout the Union and to replace the individual inspectorates that had been previously set up in some of the states. The first such inspectorate in Cochinchina dated from 1918, and subsequently similar services were set up in Tonkin (1926), Annam (1927), and Cambodia (1927). The competence of the new General Inspectorate extended throughout Indochina and included contract, non-contract, and compulsory labor. Legally it was responsible for the management and cen-

tralization of governmental control over labor and the coordination of measures regulating contracts, savings schemes, social welfare, and the like. The inspection of plantations was generally left to the state inspectorates.

Local inspectors investigated the conditions of employment and the enforcement of regulations and conducted such specific inquiries as were ordered. At first these inspectors were to act under the authority of the local administrations, but during the depression, because of the Governor General's need to obtain direct reports, they were routed thither through the General Inspectorate office.

The presence of large labor forces in Cochinchina and Cambodia necessitated the appointment of assistant inspectors, who were concerned primarily with the supervision of contract laborers. They had the right to inspect plantations whenever they deemed it advisable, though this privilege was of limited utility since they were required to give prior notice to employers. They had to visit at least twice yearly all establishments employing contract workers and report upon all infringements of the regulations. Their other multifarious duties included explaining to the workers their rights and obligations, investigating complaints, and auditing all books concerned with labor payments, especially the deferred pay accounts. Since such activities implied an extensive knowledge of native languages and psychology, inspectors were generally recruited from the administrative staff. A decree of January 30, 1929, invested labor inspectors with simple police powers for the punishment of such infringements as an unjustified refusal to obey orders, unauthorized absence from work for more than twenty-four hours, etc. The penalties within their power to inflict were fines of one to fifteen francs, and imprisonment lasting from one to five days.

Unfortunately in 1932 retrenchments relegated the General Labor [647] Inspectorate to a subordinate position and it became the first bureau of the Department of Economic and Administrative Affairs. In consequence there was a marked decline in the activities of the labor services during the next few years. The administrators now charged with them had little time, no special training in the field, were frequently shifted to other posts, and were usually on such friendly terms with the managers of the plantations within their jurisdiction that they exercised little independent, on-the-spot supervision.

Complaints from two divergent quarters militated against the reconstitution of a labor inspectorate on the pre-depression status. In 1936 the Indochinese Congress, representing all native parties, demanded the institution of an efficient labor inspectorate and one to which Indochinese would be admitted on a footing equal to that of European inspectors. The conservative planters, on the other hand, apparently wanted a less powerful inspectorate, for they complained that inspectors abused

466 their privileges and had failed to punish recalcitrant laborers adequately. One of the grievances of the employer group was the decree of January 24, 1933, which had permitted labor inspectors to act for contract workers when the latter brought suit—a measure designed to enable the workers who were generally too ignorant of their legal rights and of the judicial system to compel their employers through court action to fulfil their obligations.

[686] The employer group was somewhat mollified by the government's support of the penal sanction by more stringent punishment and more effective enforcement. A decree of June 2, 1932 (amended January 28, 1933), penalized laborers for the fraudulent retention of advances given them by imprisonment of not less than two months or more than two years and fines ranging from 25 to 3,000 francs. Any laborer, after traveling at his employer's expense to the place of work, who willfully evaded the obligations undertaken was liable to the same penalties. Subsequently all contracts of workers engaged for southern Indochina have contained a clause itemizing the penalties to which a worker is subject if he breaks the terms of his contract. The government also tightened up its legislation regarding deserters who returned to Tonkin. After 1934 any worker reported as a deserter in the *Bulletin de Police Criminelle* would be summarily arrested for breach of trust.

In promulgating these stringent measures for the protection of the employer group the government on more than one occasion emphasized that the law's function in this respect could not be merely negative. It was the task of the European staff on a large plantation to become acquainted with the workers, to look after their needs, to protect them against the tyranny of the indigenous foreman (*cai*), and to treat them firmly and justly. Such functions required long experience and a knowledge of the native languages and customs that was generally lacking. Desertions were less likely to occur on medium-sized plantations where the planter had had long contacts with his workers, and they were most frequent on large plantations with an excessively high mortality rate. Other explanations were crimping, the exactions of older workers imposed on new arrivals, the tyranny of *cais*, and inability to give compensation for advances received.

While the abolishment of an independent labor inspectorate was a retrogressive step, the edict of 1933 regulating for the first time the status of free labor marked a resumption of the forward movement. Much greater progress, however, was realized by the legislation inspired by the Front Populaire Government in 1936. Although opposition from the employer group in Indochina delayed its promulgation locally until January 27, 1937, the measure adopted was extremely comprehensive in its provisions for a 40-hour week, paid vacations, collective bargaining, the protection of women and child laborers, apprentice legislation, the

prohibition of fines, the regulation of industrial accidents, the reduction 466
effected in maximum hours of work and, finally, the institution of a regional minimum wage.

5

ORGANIZED LABOR

TRADE UNIONS did not develop in Indochina for the excellent reason 467
that they were prohibited by law. Moreover the formation of a wage-earning class is of recent date and has included only a very small part of the population. The problem was complicated by the existence, side by side with the permanent workers, of a large body of floating laborers who accepted employment only during the slack season. Not only would the incorporation of so large an element within a union movement be difficult, but the extremely low wages earned by all laborers in Indochina hardly enabled them to accumulate enough money to pay union dues, establish a strike fund, etc.

The chief obstacle, however, has been the ability of local employers to block the introduction of appropriate legislation in Indochina. The suspected existence of political agitators behind the strikes of the 1930's kept the employer group so antagonistic and the administration so alarmed that unionization was postponed. The arguments of union advocates—that the absence of unions had not prevented strikes, and that their existence would have the advantage of bringing labor leadership into the open—did not immediately prevail, but there were signs before war broke out that the stand taken by the anti-unionists was becoming less impregnable.

The right to strike in Indochina was closely restricted by the system 468
of penal sanctions introduced for contract laborers. The law of 1918
provided penal sanctions for agricultural workers in Cochinchina who 686
broke their agreement. In 1927 these sanctions were made applicable to all the states of the Union. A clause of the Penal Code, canceled in France as long ago as 1884 but still applicable in Indochina, forbade the blacklisting of an undertaking or the prohibiting of workers from going there to labor for any reason, as well as the blacklisting of a worker dismissed by his employer under the threat of a strike.

A 1932 decree affecting free labor introduced a system of conciliation and arbitration for individual disputes and punished by imprisonment (six days to two years) and a fine (16 to 2,000 francs) any collective stoppage of work which did not tend to settle an occupational dispute or which was likely to exert pressure on government policy by hindering services useful to the public. Moreover, those penalties were applied without prejudice to any sanctions contained in the Penal Code, and the persons adjudged guilty might be expelled from the country for a period ranging from two to five years.

Despite the severity of the law, a strike movement grew in strength throughout the interwar period and indicated an increasing solidarity among Indochina's workers and students. Between 1922 and February 1934 about 100 strikes occurred, most of which had been caused by either a reduction in wages, a refusal to increase wages, or by the severity of *cais* and employers. The number of strikes was not large, but in view of the overwhelmingly agricultural character of the country, it was sufficient to be considered indicative of the existence of a genuine labor movement.

The delay in applying the Front Populaire social legislation to Indochina, and the acrimonious debates it provoked, inspired a series of strikes which assumed a violent character in Tonkin and Cochinchina. The strikers claimed that their employers were not fully applying such reforms as had been sanctioned by law and that current wages did not reach subsistence levels owing to devaluation of the currency and the steep rise in living costs. In almost all cases the strikers confined their demands to increased wages and in only a few instances was their violence directed toward individuals. On November 27, 1936, there were 1,700 workers on strike, a number never previously equalled in Indochina's labor history. The local press claimed the next month that the number of strikers had risen to 50,000. The most serious outbreaks occurred at the Campha coal mines in Tonkin, where 6,000 workers were affected. Noteworthy was the moderate nature of their demands—small wage rises, the future assumption of the cost of oil and of greasing wagons by the company and of half the price of tools in cases of loss, the right to paid employment every day of the month—and the modest role of referee played by the local administration.

Settlement of Disputes

After long discussion of the problem, conciliation boards, rather than labor courts, were established for the settlement of individual disputes. It was ruled that such disputes might not be brought into the courts until the defendant had been summoned before one of the conciliation boards. The board's membership was to include a justice of the peace, or substitute official, and two members representing the employers and employees respectively, chosen from lists drawn up by the states' Governors and Residents Superior. Disputes between employers and workers were referred to the French members of the board, those between Asiatic

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employers and employees to the native section, and those involving both Europeans and Asiatics to a section composed of members of both groups. The conciliation procedure was made compulsory if both parties were domiciled within the jurisdiction of one of the boards. If such were not the case, the procedure was made optional, in order not to place too great a burden upon disputants living far away.

By 1930 conciliation boards had been established in Hanoi, Haiphong and Nam-dinh (Tonkin), in Saigon (Cochinchina) and Pnom-Penh (Cambodia). All the claims subsequently introduced were by wage-earners and concerned payment of arrears and dismissal allowances. Unfortunately only a small proportion of these disputes was settled by the boards, from whose decisions no appeal could be made.

As a result of this very meager success, the Mutual Association of Commercial and Industrial Workers of Cochinchina demanded the introduction of labor courts, and the Governor General deemed the suggestion worthy of consideration. He submitted a proposal drafted by the Labor Inspectorate regarding the establishment of such courts to the heads of the local governments, but nothing further developed.

The conciliation and arbitration of collective disputes was the object of a draft decree submitted to the Grand Conseil in 1930. Theretofore workers had had no peaceful and legal means of getting their claims examined without recourse to a stoppage of work, which rendered them liable to dismissal. After approval by the Metropolitan authorities, the decree was promulgated locally in 1932. It established the principle of compulsory and gratuitous conciliation of collective labor disputes and introduced optional arbitration. It became applicable as soon as a dispute affected not less than a fourth of the employees in an undertaking, or not less than 10 per cent of the wage-earning employees. The Labor Inspector assumed the title of Conciliator, and either party might submit disputes to him by a simple petition embodying the complaint and supporting evidence. If he were unable to effect a settlement, the dispute could be submitted to the head of the local government for arbitration. The same decree also covered work stoppages in private utility services affecting the general public, and dealt with penalties for any "unlawful" cessation of work, that is, for any purpose other than the settlement of a trade dispute and deliberately entailing prolonged public inconvenience.

The legislation concerning settlement of collective disputes was as barren of results as that designed for conciliating individual disputes. A decree of October 1937 made another attempt to strengthen and reorganize the procedure involved in settling individual disputes, but it was promulgated so near to the eve of the war that its achievements are unknown.

6

POSTWAR DEVELOPMENTS

127 Virtually nothing is known here about labor conditions in postwar Indochina. Since the Japanese surrender, Cochinchina has been the scene of intermittent conflict which still continues in guerilla form. Laos experienced a military campaign which ended only in March 1946 and which is still reflected in the unsettled living conditions prevailing in that area. Shortly before, Cambodia came to terms with the French occupation forces and as a consequence escaped much destruction, but tension in the western frontier region increased with the long delay in 467 settling the border dispute with Siam. Only in the northern provinces controlled by the Viet-Nam Republic has there been opportunity for the growth of a labor movement, but even there the presence first of Chinese and then of French occupation forces has been far from propitious.

654 The curtain which descended upon Tonkin and northern Annam at the time of the Japanese coup of March 9, 1945, has been only occasionally raised to permit glimpses of the functioning of the Viet-Nam party in that area. From intermittent reports made by neutral observers and from Radio Hanoi's broadcasts, it is apparent that the Annamite Government launched an extensive and largely successful agricultural program designed to relieve the country of the periodic famines which in 466 the past have decimated the population of the delta and coast. Reportedly new crops have been introduced, rice cultivation has expanded, and the great dyke system of the Red River has been repaired and enlarged. Such projects obviously have required the use of large labor forces. Appeals to patriotism and an intensive revival of the old village conscription system have probably been the means used to achieve the 467 desired results. However, if a report published in the Hanoi newspaper, *La République*, on October 28, 1945 (to the effect that the first labor convention of north Viet-Nam had been held two days before), was accurate, labor seems to have been organized to some extent. Shortly afterward, Ho Chi Minh, president of the Viet-Nam Republic, called a two-day general strike in protest against a currency move by the Banque de l'Indochine; this, and subsequent work stoppages, have been politically motivated and designed largely to impress the foreign powers with the disciplinary organization controlled by the Viet-Minh party. Although no further word of organized labor's activities in Viet-Nam controlled territory has filtered through, it may be assumed that political

preoccupations are still paramount in northern Indochina as elsewhere throughout Southeast Asia. 467

It is known with greater accuracy that the rubber and other plantations of Cochinchina have been suffering from a shortage of labor. To some extent this has been due to the refusal of many Annamites to work for the French despite the latter's frequent appeals to them to return to "normal life"; to the unsettled conditions, prevailing particularly in the rural areas, which make it unsafe for French planters to return to their estates; and to the anti-Tonkinese campaign which has been launched locally for the purpose of setting up the "autonomous Republic of Cochinchina." Because the Viet-Nam Government, with its headquarters in Tonkin, opposes the separation of the richest Annamite area from its control, the French have been using propaganda and more forcible methods to make the Tonkinese unpopular in the south so that all possible Viet-Nam agents will be compelled to leave Cochinchina. Furthermore, the breakdown of the north-south transportation system, due to Allied bombing during the war and to guerilla operations since the Japanese surrender, has made it physically impossible to import Tonkinese laborers to work in the south. To remedy the serious labor shortage in rural Cochinchina, it is reported that the local gendarmes have been rounding up any Annamites in and around Saigon on whom they can lay hands and have been transporting them to work on the deserted French-owned plantations. 727 464

In the fall of 1945 a brief strike by Cambodian workers in Pnon Peuh, as a protest against the reassertion there of French sovereignty, and by Chinese coolies in Cholon, against the irresponsible behavior of the British Indian and French occupation troops in Cochinchina, were transient manifestations almost exclusively motivated by nationalist sentiments. 467 668

Under the political and military conditions currently prevailing in Indochina, no genuine labor movement is likely to develop, except perhaps in those portions of Tonkin and Annam where the Viet-Nam Government has been in effective control for more than a year.

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CHAPTER VI · SIAM

1

GENERAL LABOR SITUATION

567 IN ANCIENT SIAM the services owed by every freeman to the state and to his patron, as well as the legal existence of seven classes of slaves, obviated the existence of what are known today as labor problems. The abolition of slavery by stages was not finally completed, even legislatively, until 1906.

[177] The enslavement of war prisoners was an ancient Thai practice, but it owed its real development to contacts with the neighboring Khmers and Peguans, who had already made slavery a legal institution.[1] Indeed, the Siamese soon became distinguished for the ease with which anyone might become and remain a slave. Fathers could sell their children, a husband his wife, and all could and frequently did sell themselves into slavery, owing to the prevalence of indebtedness and feudal patronage. [721] The universal attraction of gambling and the more potent need for protection were in good part responsible for this situation. Chronic warfare was one of the main causes of Siam's underpopulation; to remedy this underpopulation, the Siamese indulged in periodic slave raids, chiefly among the primitive Khas. They transplanted whole communities of vanquished people and, when this failed to meet their needs, bought supplementary slaves from professional Chinese slave hunters.[2] The government in those days not only condoned but often furthered this slave trade, and not until the late nineteenth century did it attempt to intervene in the relations between master and slave. In the middle of that century, slaves were the chief wealth of many a prosperous family. They formed from a fourth to a third of the total population and when sold cost about Tcs. 100 apiece.[3] Although their condition varied, both in regard to individual treatment and at different periods of history,

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[1] Lingat, R., in the *Siam Society Journal*, 1933.

[2] Crawfurd, John, *Journal of an Embassy to the Courts of Siam and Cochin-China*, 2nd edition (2 vols.), London, 1830, Vol. I, p. 227.

[3] Pallegoix, Mgr., *Description du Royaume Thai ou Siam* (2 vols.), Paris, 1854, Vol. I, p. 234.

their status was not necessarily unfortunate and their treatment was 567
generally humane.

During the Bangkok period, when the remnants of Ayuthia's laws were gathered together for codification, legislation began to supplant custom, especially in regard to debt slavery. With the growth of Siam's export trade and the subsequent rise in land values that occurred after the opening of the Suez Canal and development of steam navigation, slavery lost its economic necessity and could be abolished without disturbing deeply the country's economy. But the process took almost a century. Permission to purchase their freedom was extended to war prisoners in 1805, and shortly thereafter to all the children of slaves. Some sixty-five years elapsed before the government took another forward step; it was gradually being realized that before the administration could be reorganized and Siam's prestige raised in the eyes of the world, slavery must be totally eliminated. This was not accomplished until the early twentieth century and about a quarter of the Siamese nation was disoriented economically and socially; the natural improvidence of the Siamese—a product of their former social and political system—aggravated the results of such a change.

A certain intermediary stage continued to exist between free and slave 466
labor, which took the form of corvée service. The harshest form this 702
assumed was the hereditary obligation to serve in the army or navy. Until
the navy was modernized under Danish auspices, the only escape for a 567
man and his descendants from this hated service was to acquire a certain
degree of education, which brought with it automatic exemption. The 651
same element of compulsion prevailed among Siamese artisans and was a
major cause of the decline in indigenous arts and crafts. Talent was
rewarded by forced service in the patron's household. Under these disadvantageous
social and economic conditions, artisans lost their initiative
and whatever creative impulses they had. This inheritance of trades and 463
professions gave a form of stability to Thai society, except for the class of
public officials, where functionaries might train their sons to follow in
their profession and then find themselves dismissed by the king for having
incurred his displeasure. In practice the whole system severely restricted
labor and professional services.

The enlightened King Mongkut was the first to modify the services 466
owed by individuals to the state (*rachakan*) when he decreed that men no
longer had to perform work gratuitously which might be done by paid 651
laborers. This limited emancipation was confined largely to Bangkok. 369
The rural populace was still constrained to perform police work, road
building, and canal cutting—perhaps a little less at the arbitrary pleasure
of the local governors, but the latter could always plead the genuine difficulty
of finding local free labor available for public works. As the law
was hard to enforce in isolated up-country regions, officials were able to

466 continue requisitioning materials and services for their personal benefit.
651 Gradually, however, the state managed to require that conscripted work
369 should have public utility, be paid at fixed market prices, and be used only when free labor was not available. This final condition proved the hardest to satisfy. Officials traveling in the interior were often stranded or seriously delayed because of the impossibility of finding coolies.

461 A story long current among Bangkok foreigners relates that a Siamese who was indignant that his people should be described as "incorrigibly idle" could only offer as a counter-characterization that they were "incurably indolent." Unless Siamese were in desperate straits they would not hire out their services. The bounty of tropical nature made it superfluous for them to work for the necessities of life; they wanted to be their own masters and to be under no compulsion—except that imposed by nature—in regard to working hours and place. When they finally accepted outside employment, they preferred agricultural piecework to be done in their own way and at their good pleasure. They found congenial the irregularity of the rice-farming season and, rather than specialize in any one form of occupation, preferred to supplement their main source of livelihood with part-time activities. Like the Annamites they feared unfamiliar terrain, especially the mountains, and only as farmers and boatmen would they labor hard and willingly.

461 The shortage of labor available for public works caused the government to modify its early legislation by reasserting the state's right to requi-
651 sition labor—but at fixed pay. The preamble to this legal amendment stated that, since some people were by nature industrious and others lazy,
466 the former must needs be encouraged. A High Commissioner was appointed to use his discretion in regard to exempting from compulsory labor any person especially industrious in useful works or those who had performed *rachakan* for a prolonged period. Official ideas were gradually assuming a more Occidental cast; the idea of public responsibility was slowly seeping into the legislation of the land and the feeling that poverty was tantamount to failure became vaguely discernible. Yet for years after the introduction of a poll tax had emancipated the person paying it from having to perform labor for the state there were still many Thais who preferred working off their tax to paying it, since they could make money off the government's food allowance by bringing their own provisions from home. Patronage has been dying an even more lingering death, for individuals even in the days of the constitutional regime still sought out influential persons to whom they offered their services in return for "protection."

697 Originally convict labor was drafted as the only means of getting certain types of public works accomplished, but subsequently it came to be employed in crafts. In the country jails of Siam, hats, wicker furniture, basketry, and lacquer work of fine quality were made, largely with the

Chinese

idea of developing industries at low cost and training craftsmen. Inevitably 697
this has competed with local tradesmen; there was no standardization or large-scale production; and marketing methods were poor. A revival of the use of convict labor occurred in 1937 when the newborn municipalities found regular labor too expensive to hire, and the government loaned them the inmates of the local jails at the rate of 10 *satangs* a day. The policy of the Penitentiary Department, as stated in 1941, was to make convicts self-supporting to the point where the proceeds from their labor would supply the funds required for building modern prisons.

Regional differences and natural propensities for certain forms of occu- 463
pation led long ago to a slight division of labor. Moreover the revolution
in Siam's economy effected by the development of an export trade created 563
new work in connection with the growth of building and transportation industries, in addition to more agricultural employment as the land under cultivation increased. Agricultural commercialization, in turn, brought in its wake a marked specialization in the crafts. In certain occupations, however, the Siamese made no effort to compete with foreigners, particularly the Chinese, into whose hands came more and more of the expanding industries. By the turn of the century the Chinese were dominant among the port coolies, boat builders, carpenters, market gardeners, tradesmen, and miners, constituting some 70 per cent of the non-agricultural laborers; the Malays worked their paddy fields, performed machine labor in a few mills, and shared with the Siamese in the fishing industry; the few Javanese were specializing in market gardening; the Burmese and Shans were withdrawing from the teak industry and beginning to traffic more in gems and general peddling; the Ceylonese were among Siam's foremost jewelers and goldsmiths; the Bombay Indians went in for retail merchandising, the Bengalis for tailoring, and the ubiquitous Tamils were either cattlemen or shopkeepers.[4]

It was the Chinese employers who profited most from the steady stream 167
of Chinese immigrants whose labor supplemented the reluctant native
services. Chinese coolies would work an intensive 12-hour day at a cost of 464
Tcs. 20 a year, in addition to board and lodging. In prosperous times
the Menam Valley farmers used to get Lao labor from the northeast at 463
an annual cost of Tcs. 120 per head, and they were far inferior to the Chinese in regard to both endurance and perseverence. The Chinese themselves preferred non-agricultural work because it was more remunerative, and no effort was made to encourage the emigration of Chinese farmers to Siam through proper recruiting agents in China. As a rule those Chinese who had saved enough money from coolie work entered trade and, after they had prospered, returned home, though they were thought to be less transient in the years prior to the present war.

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[4] Smyth, H. Warrington, *Five Years in Siam* (2 vols.), New York, 1898, Vol. I, p. 14.

Chinese

167 464 The successive attempts made to restrict Chinese immigration over the 1927–37 decade were aided by the depression which forced the return of many Chinese to their homeland. The combined effect was to leave certain employers shorthanded while still not satisfying the Siamese nationalists. On some of the smaller peninsular rubber estates tapping ceased entirely because of the labor shortage which was estimated in 1935 at between 30 and 40 per cent.[5] Yet the government, despite its dependence upon revenue from the tin and rubber industries, rejected a petition signed principally by Chinese mine-owners and endorsed by the Siamese High Commissioner asking permission to reimport, tax-exempt, the 5,000 Chinese coolies who had left their employ and the country during the depression. The government claimed that the law discriminated against no single nationality and simply aimed to maintain high living standards for Siamese labor, which had been suffering from unemployment on a minor scale. The subsequent attempt to substitute imported Lao laborers on the southern rubber plantations was reported only partially successful.

563 464 The synchronization of the labor shortage, restriction laws, rice mill strikes, and publicity regarding Chinese remittances precipitated a general discussion regarding the merits of Chinese labor. Restrictionists argued that the Chinese formed a state-within-a-state and were steadily undermining the position of the Siamese laboring and artisan class; that the current laws were not severe enough to cope with this menace; that the Chinese propensity to form secret societies, go on strike, and boycott other countries' merchandise was a threat not only to Siam's internal order but to her harmonious foreign relations; and that, if Siam had been prudent enough to ward off the danger of foreign investments in the country, she ought to be equally so in regard to alien labor.

Advocates of Chinese immigration, few and dwindling in official influence, replied that without adequate labor there was little prospect of attracting capital of any nationality, and that the restrictions on Chinese immigration were simply retarding development and pointlessly foregoing national wealth. They claimed that all of Siam's unexploited land could not be properly farmed by family labor. The alternative to abundant immigrant labor was mechanization, and this would be complicated by Siam's lack of fuel resources, her farmers' impecuniousness, and the general difficulties of power-farming on ricelands.

563 [186] 464 The first of these schools of thought rode to triumph on the rising tide of Siamese nationalism. Beginning in the middle 1930's and reaching a crescendo in the spring of 1939, the government passed a series of laws which had the effect of eliminating overnight many of the traditional sources of livelihood of the Chinese with the expressed design of replac-

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[5] *Bangkok Times*, July 10, 1935.

563

ing them by Siamese. When industries tried to fill the required quota 464
of their labor forces with Siamese, they encountered difficulties.

In Siam the labor situation was in some ways the reverse of that in the [517]
West, for it has been the Siamese bourgeois who traditionally worked
whereas the peasant had many idle months which he spent in gaming,
crafts, drinking, and occasional dacoity. The mild exhortations made to 461
the middle classes to take up scientific farming—in which a royal prince
gave a unique example—fell on the deaf ears of Siamese who continued
to aspire after government jobs. No one denied that Siamese skilled
labor was as good as foreign; the survival of a number of crafts revealed
the indigenous artisan's dexterity and artistry. And almost any Siamese
could and did garden, cook, sew, and carry on carpentry work in his spare
time. Nor was the long-standing inadequacy of technical training facilities held responsible, for they had trouble in attracting students and in
some cases of placing them. Nearly all of the rural Siamese employed in [465]
skilled or semi-skilled occupations were paid on a share basis and classified as artisans rather than laborers even in the rare cases where wages
were paid.

Nationalism, however, was not the only force working toward an occu- 178
pational change in the habits of the Siamese. Rice farmers in the central
zone were seriously affected by the drastic fall in world prices in the early 464
1930's, and white-collar jobs were becoming scarce even before the depression created a modest unemployment problem, chiefly in Bangkok. The overstaffing of the civil service under Rama VI was followed by Prajadhipok's purge, which made clear for the first time that the bourgeoisie could not expect, as in the past, that there would always be positions in the bureaucracy for those educationally qualified. They would have to anticipate either much lower salaries or prepare for technical employment.

Attempts to relieve unemployment were begun by the absolute monarchy and carried on by the constitutional regime in only slightly less spasmodic fashion. The new administration showed more initiative, but not commensurate results, in drafting a ten-year plan for land development, in initiating a labor and other economic surveys, and in generally underscoring the importance of technical instruction. But because the need for labor never became very acute in Siam and the government was faced with even more pressing problems, only half-measures were executed and no systematic plan was carried through to cope with such labor problems as existed. Such steps as were taken were largely negative—the curtailment of foreign labor, capital and advisers. The stage was legally cleared for a greater participation by Siamese in their country's development; but the means to achieve it had not been worked out from either the psychological, the technical, or the economic angle before war broke out in the Pacific.

2

TYPES OF LABOR

463 At the time the 1937–38 census was taken, occupations were divided into ten main groups as follows:

TABLE XI: TYPES OF LABOR IN SIAM, 1937–38

Occupations	*Males*	*Females*	*Total*
Agriculture and fishery	3,018,892	3,009,903	6,028,795
Forestry	15,012	5,395	20,407
Commerce	221,461	135,875	357,336
Industries, crafts, and engineering	96,840	33,114	129,954
Mining	13,807	1,264	15,071
Transport and communications	56,568	2,289	58,857
Public services	62,162	716	62,876
Professions	41,604	8,143	49,747
Household and private affairs	54,404	28,186	82,590
Clerical	17,499	424	17,923
Total	3,598,249	3,225,309	6,823,556

Agricultural

241 Siam was made up, roughly, of three regions of almost self-sufficing agriculture and one commercialized agricultural district in the center. In the self-sufficing areas commercialized farming existed sporadically near the larger settlements. Throughout those regions the major problem for the farmers was the development of other sources of cash income. The chief need of the commercialized area, on the other hand, was to produce more diversified crops, with a greater emphasis on items required for home consumption. By raising more foodstuffs the farmers of central Siam could have lowered their living costs and increased their cash incomes without necessarily diminishing their rice output for export.

[433 241] Since the late nineteenth century the farmers of the central valley have been concentrating on growing rice for export. Hired labor became indispensable, and land values high. Where crops were raised for sale and all surplus became profit, there was no limit to the amount of land a 427 householder wanted to possess.[6] Gradually with the increase of irrigation projects large tracts of land came into the hands of private interests and many former peasant proprietors became tenant farmers or agricultural

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[6] Andrews, James M., *Siam: Second Rural Economic Survey, 1934–35*, Bangkok, 1935, p. 155 *et seq.*

laborers. The poor farmer, if he were not dispossessed for debts, found it 427
increasingly hard to acquire additional property of his own. Indebtedness
thrived on traditional Siamese improvidence, and increased with the
habit rapidly acquired by the central farmers of buying luxuries as well
as necessities from their cash incomes. The large landed proprietor had 464
to hire labor, originally from among the Lao migrants and later from
among the growing group of local, landless proletariat. The constitutional
government, which came into being during the depression, recognized
the seriousness of the land-tenure situation in central Siam, but
never got very far with its projects for a large-scale redistribution of land.

The economy of the northern regions has remained almost wholly self- 241
sufficient, and individual holdings have been subdivided to the point of
being uneconomic. The nearby jungle furnished enough bamboo to 427
build a house and a fence. Paddy seed was available at all times and for
nothing, and a man could easily grow enough rice for his own family's
needs. Neighbors generally helped each other during the harvest. In the 476
rare instances where a metayage system prevailed, the owner provided the
land and sometimes the draft animals, in return for which he retained a
part of the crop. Hired labor usually was paid in rice rather than in 465
money, little of which was in circulation. Cash wages, when paid, were
lower than in the south.

Farming costs, although hard to estimate accurately, were believed to 241
be about double those in the south because of the greater amount of
human labor employed. The home-made implements generally used 511
were inefficient, and the threshing was done by hand. Fish abounded in
handy streams. Livestock was kept around the house. Tobacco grew
almost wild, and the women of the household spun and wove the family's
clothes. If the farmer wanted additional commodities he simply bartered
his surplus products. Whatever time was left over after the farming
families were fed, housed, and clothed, was spent in handicraft activities,
in recreation, and in warding off evil spirits. For many years money
seemed superfluous in this economy. Not very long ago some Lao villagers
in astonishment inquired of a traveling official how he could possibly
spend all his salary.[7] However, the rapid growth in the means of 178
communication during the interwar period was changing this picture.

Among the Malay communities of the south family labor sufficed, for 464
the Malays produced just enough for their own subsistence and generally
resisted the introduction of supplementary, commercialized crops. Outside
the Malay communities, hired labor was almost wholly Chinese. 241
The Thais, like the Malays, enjoyed an easy farming existence. When
they wanted additional income they tapped rubber trees or fished to sell

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[7] Le May, R., *Siamese Tales Old and New*, London, 1930, p. 187.

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South
Chinese

241 part of the catch. Their farming activities consisted of turning loose a herd of water buffaloes to trample on a small piece of ground which thereafter was subjected to only a little additional harrowing and plowing. Both men and women performed the tasks—the men doing only the plowing and threshing, however. Almost all the local farmers used their immediate family's labor, worked as little as possible, and survived pleasantly and effortlessly on a diet of rice, fish, and fruit.

Industrial

471 Most of Siam's industrial development has taken place in Bangkok, except for the tin and rubber industries located in the peninsula and forestry
654 in the north. Until recent years the capital, labor, and management of such industries have been almost wholly foreign. The advent of the nationalistic constitutional regime, along with the world depression, made the project of industrializing Siam to the point of local self-sufficiency rapidly popular. The lack of Siamese capital, skilled labor, technicians, fuel, and transportation facilities was not regarded as a sufficient deterrent by nationalists. In the late 1930's a considerable number of industrial ventures were sponsored by the government, which theretofore had given direct employment almost exclusively to functionaries and
[563] laborers for the Public Works Department. A certain amount of circumspection was observed in the displacement of Western firms, but virtually none in regard to the Chinese, who had been even longer entrenched in Siam as laborers, capitalists, and middlemen but who lacked the support of diplomatic representation.

654 Prior to the outbreak of the Pacific War most of the constructive work in the direction of industrialization had been preparatory. To overcome
874 the Thais' traditional disinclination toward technical and commercial undertakings the government offered more facilities for vocational training. Its earlier efforts to induce Siamese to accept training by the Survey and Forestry Departments had met with discouraging results; even the more popular Arts and Crafts School had difficulty in finding a market for its graduates. In the mid-1930's a greater effort was made to develop a large group of technicians. Courses in science and engineering were added to the curriculum of Chulalongkorn University; the government announced its intention of opening a technical institute and agricultural, mining, forestry, and rubber schools, and more students were sent abroad for advanced study. A feeler was put out to the foreign firms in Bangkok to foster an apprenticeship system, but otherwise little effort was made to coordinate the larger anticipated supply with the industrial demand.

167 Legislation was the instrument used not only to clear but to force the
464 way for the greater employment of Siamese. The augmented immigra-

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Chinese

tion fee and literacy tests were instituted to cut down the influx of Chi- 167
nese laborers. As this did not prove effectual for long a series of laws 464
was passed, mostly in 1939, which eliminated the Chinese from many of
their traditional means of livelihood and which required the employ-
ment of a certain proportion of Siamese in a number of industries. The [563]
Birds' Nest Concession, Food Vending, Salt, and Tobacco Acts cut deeply
at established Chinese monopolies. The Vehicles Act aimed to displace Chinese by Siamese taxi-drivers, and the substitution of Siamese butchers coincided with the government's assumption of control over all animals to be slaughtered. Although the curtailment of teak concessions effected when forest leases were renewed in November 1939 principally concerned European companies, the government's acquisition of a number of sawmills foreshadowed its control over an industry that had been Chinese-dominated, particularly in regard to the labor employed. Even more drastically anti-Chinese in its implications was the creation of the official Thai Rice Company which almost immediately took over 11 mills from their Chinese owners and cast its shadow over the 600 or more rice mills located in the provinces. At about the same time the government announced its intention of opening a rubber factory and centers for training Siamese for this industry. Only tin mining, where foreign capital was deeply entrenched and the only skilled laborers available were Chinese, seemed left off the official agenda. But even there the government invited tenders for the construction of a local smelter. The Siamese Vessels Act, also of 1939, took the more positive step of requiring that shipping crews must be 75 per cent Siamese.

In a third way the government sought to provide for a greater partici- 655
pation by Siamese in their country's development. Various industries
were launched by the state, of which perhaps the most successful was the 651
Bawn Rood Brewery. Tariff rates were successively raised to protect the new local industries—though some, like the manufacture of matches and cigarettes, were set up by European companies. The other official ventures, such as factories for the manufacture of paper, sugar, textiles, etc., were of too recent vintage to have appreciably affected the labor market. The total of 129,954 persons reported as engaged in industry and engineering in 1938 indicates the slight importance such labor forces continued to have in Siam, despite all the government's programs and legislation.

Mining. Just prior to the depression all but 5 per cent of southern 316
Siam's 729,000 miners were Chinese. To obviate the wholesale desertions
characteristic of the first years of commercialized mining in Siam, chiefly 466
because of the bad health conditions prevalent, the Chinese mine owners gave their laborers a stake in the outcome by paying them on the basis of the ore produced. They preferred hiring cheap labor to buying costly machinery, whereas the Europeans who subsequently competed with them

Chinese
Lao

316 466 [276] preferred and were financially able to install machinery and cut down their labor requirements. But the Chinese owners made profits through the stores which they set up at the mines for the laborers, usually on elastic and elusive credit terms. A League of Nations survey, made on the eve of the world slump, estimated that the average Chinese mining coolie spent half of his earnings on opium and remained, as a rule, indefinitely at the mine and in his employer's debt.

464 313 167 *Forestry.* In the northern teak forests of Siam labor in the 1930's was still by preference Khamu, though the supply was getting shorter every year and their place was being increasingly taken by Laos and various nearby tribes. Although there was a Khamu village near Ubol, the majority of the Khamu forest laborers came over every year from Indochina. Each group was organized under a headman who arranged his workers' contracts, was responsible for their remaining at the camp, and collected for this service an enormous commission taken from their minuscule wages. The Khamus accepted this exploitation without a murmur. The two ticals which the headman advanced for the passport fee and his handling of their provisions netted him additional profits and placed the laborers further in his power.

563 167 These Khamu foresters earned as little as 100 rupees a year, but this was a fortune to them in Indochina, where the cost of living was lower than in Siam. When they returned home, they could buy a piece of land and marry. A humble, easily dominated, and illiterate group, the Khamus were ideal laborers from the employer's viewpoint. Their greatest drawback was a tendency to run away if they felt unhappy, and this could be caused by a mere threatening glance of the headman's eye. Only on the rare occasions when they married Lao women and adopted the Siamese dress did they lose their inferiority complex.

313 483 Labor for felling, logging and dragging timber was organized and housed in regular camps, each under the control of a headman and his assistant.[8] The work was done in gangs in which the axe-men worked in pairs, each pair felling from three to five trees a day. The carting was chiefly in Lao hands, as was that of elephant driving and rafting, though the latter was confined to families who lived along the river banks in the various localities where the rafts were made up. Engaged in this business from father to son, these river Laos acquired a unique knowledge of lumber operations and of their river's eccentric behavior.

Handicrafts

517 463 Since the vast majority of Siamese were engaged in farming and fishing, leaving them with periodic leisure, they could devote part of their time

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[8] Bourke-Borrowes, D., *The Teak Industry of Siam*, Bangkok, 1927, p. 31.

to such crafts as weaving, boat building, jewelry manufacture, and brick 517
making. Very few of these occupations were performed as full-time activities. 463
In his economic survey, made in 1934, J. Andrews came to the 434
conclusion that virtually no Siamese family derived its main income from
handicrafts. In the three self-sufficing areas crafts accounted for more
income than did agriculture because there a less regular market existed 438
for agricultural produce than for manufactured articles, and more families
were self-sufficient in foodstuffs than in utensils. Few artisans earned 184
a living in the commercialized central region, where the residents bought
manufactures imported from other areas.

The class of craftsmen who had formerly worked for their patrons and 438
taught their sons to follow in their professional footsteps did not long
survive the break-up of the feudal system, and in any case their output 868
had largely lacked spontaneity and imagination. The gradual replacement 466
of the aristocrat-patron by the commercialized farmer as the buyer
of handicraft produce inevitably affected the craft output. Farmers' surpluses, 517
even in the commercialized center of Siam, have been neither
regular nor large enough to guarantee a steady market, nor has their 531
artistic taste been impeccable. From both the quantitative and aesthetic
angles crafts declined and artisans could not ply their skills as a full-time
occupation.

Most rural Siamese families still make most of the articles in daily use. 463
Generally, the women of the family do the weaving and pottery-making.
Weaving remains probably the principal domestic industry, but it has 286
almost disappeared from the center and south of Siam, where homemade
textiles have been largely displaced by gayer, cheap foreign imports, 439
mostly of Japanese origin. A revival of weaving occurred in the northeast
where some enterprising Chinese effected a great improvement in
the industry by introducing the percussion shuttle and it was the Chinese
themselves who succeeded in spreading their dominion westward. Up to
the war's outbreak, however, they had not succeeded in displacing the
fine Siamese textiles woven at Lampun.

Many years ago Siamese pottery declined from a fine art to the making 438
of crude earthenware utensils for domestic use. Only in some of the Mon
villages is a superior pottery produced and in some instances where commercialization 531
has developed hired labor is used. Lacquer making is 323
concentrated in the region around Chiengmai, where it is done to some
extent in factories, albeit on a modest scale. Probably the total employed 322
by this industry does not exceed 600, and the number varies from day to
day. Many of the preliminary tasks are performed by women in their 462
homes. Basketry and carpentry are done almost universally throughout 326
Siam but not on a commercial basis. Metal work has been one of the
few truly specialized crafts, both for personal and temple ornamentation
and for household articles.

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Chinese

438

306
531 and for household articles. Niello work is outstanding for its fineness,
and is one of the few authentically indigenous Siamese arts.

The constitutional government, as in Burma, has officially adopted a
654 policy of encouraging cottage industries but without achieving notable
[674] results. Both governments have been animated principally by nationalistic feeling but they have also recognized the relationship between rice-farming leisure and the rural crime rate. The Ministry of Defense in
1936 announced its intention of improving the weaving industry by
building a series of textile factories, and also of encouraging fine silver
[874] work. In more recent years the government has increased facilities for
training in the arts and crafts, and in certain areas weaving has been added to the regular school curriculum. At the top of the system is an Arts and Crafts School, with certain formal-education prerequisites, which offers a five-year course in carpentry, basketry, painting, sculpture, etc. In some of Siam's jails such crafts as carpentry and furniture-making were taught, partly with the idea of eventually disseminating such skills among
[722] the rural populace by chastened ex-convicts. Undoubtedly the war, by
cutting off imports, has given a far greater stimulus to indigenous handicraft industries in Siam than any amount of government exhortation or patronage, as it has done elsewhere throughout Southeast Asia.

3

IMMIGRANT LABOR

167 The Chinese formed the only important group of immigrant laborers in Siam. In 1938 the Japanese residents numbered only 514 and the far more numerous Indian community (about 100,000) was mainly merchants and included very few laborers.

563 Although Sino-Thai relations antedated by many centuries the advent
of Europeans in Siam, the "Chinese problem" did not come into existence
167 until just before the First World War. The fertility of underpopulated
Siam was irresistibly attractive to its industrious, numerous, and underfed
463 neighbors to the north. In the old days the Thai aristocrats, born to
landed wealth and power, were glad to leave degrading tasks, including money-making, to the Chinese, and the latter proved themselves so useful as to win for themselves a privileged position in Siam. The Thai peasant too, contentedly raised his rice crop and turned it over to the Chinese to transport, mill, and export.

Most of the early immigrants arrived from southern China indebted for their passage and had to work off their obligation by doing the hardest

Chinese

kind of labor in the ports, in rail and road building, in mining, and the 167
like. Those impecunious coolies, who succeeded in finding jobs and lodging
in Bangkok, were increasingly crowded with new waves of immi- 563
grants. But they saved a little capital through their amazing energy,
tight social organization, and frugality. They soon rose to join the shop- 463
owning class, of which the Sampeng district became the center. The
Chinese have had no clear-cut geographical location in Siam and though
primarily urban they have indulged in minor agricultural activities (market
gardening, and some sugar, pepper, and tapioca plantations). They
were to be found in almost every part of the country. They pushed into
the interior, at first along the rivers and canals where they often established
floating markets, and later they followed or even anticipated rail
and road construction. In the country markets the Chinese began buying [442]
up agricultural produce, chiefly rice, and were soon able to monopolize
the position of middleman. In this way the country's most important
commodity, rice, was controlled by the Chinese in all phases but that of
its production. In the peninsula the Chinese came to constitute the bulk [464]
of laborers in the mining industries and a majority of the rubber planters
(though not the tappers) and in the north formed part of the foresters in
the teak industry. In brief, they entered into and tended to control
almost every category of labor and all such enterprises as were not preempted
by Europeans with their superior financial resources and techniques.

If the Chinese had remained willing to identify themselves with the 563
land of their adoption and profits, no problem would have arisen, for
the Siamese and Chinese have gotten along well together and intermar- 167
riage was common. The children from such unions were absorbed into the Siamese milieu. But the birth of Chinese nationalism and the emigration of Chinese women, beginning about 1912, altered the picture and the Chinese began to appear to Siamese eyes not only as transient profiteers but as an increasingly unassimilable bloc in the country. The Chinese secret societies, which they had brought with them, led to perennial violence and were too elusive for the Siamese to obliterate or control. During the interwar period they were used to enforce anti-Japanese boycotts and to further Kuomintang activities. The steadily strengthening ties between the overseas Chinese and the homeland were regarded with growing suspicion by the Siamese, whose nationalism, if tardier, had rapidly gathered analogous momentum. The Chinese had long been denied diplomatic or consular representation, chiefly because of the contradictory claims by Chinese and by Siamese law in regard to the nationality of the Chinese born in Siam.

The first law to control Chinese immigration, which antedated the constitutional regime by five years, was a mild measure barring any entrants suffering from trachoma and unable to pay fees amounting to

Chinese

563 167 the modest sum of Tcs. 11.50. The depression not only caused the repatriation of many Chinese but in 1931 provoked a tightening up of the immigration regulations against those designated as Communists, diseased, indigent, and undesirable aliens. The landing tax was raised and another much larger sum required for the right of domicile. An elastic literacy clause was added to bar Chinese transients and women. A return passport, valid for two years, was also made obligatory and cost an additional ten ticals. After a temporary setback, caused probably as much by depression conditions as by the new laws, the stream of immigration picked up again. Inaccurate and incomplete statistics made it difficult to appraise the transiency of these entrants. It was believed that five Chinese entered the country for every four who left it but no one knew what [186] proportion of these emigrants were commuters. The incandescent nationalism aggressively displayed by the new rulers of Siam was fed by a growing resentment against the position the Chinese had achieved in their country. In 1937 the immigration fee was again raised, this time to the very high figure of Tcs. 200, and, though not immediately applied, it stimulated a great increase in the number of Chinese smuggled into Siam.

[464] This curtailment of immigration was accompanied by new labor legislation which, like so many other measures, discriminated against the Chinese in practice without doing so verbally. In 1935–36 laws were passed requiring rice mills to employ a minimum of 50 per cent of Siamese workers and in 1938 another bill reserving additional types of work for Siamese labor proved equally impracticable to enforce because of the lack of available indigenous labor forces.

The last years before the outbreak of the Second World War were marked by an outbreak of anti-foreign legislation, most of which hit the Chinese specifically, as was the intention. Various measures were passed, many in secret session and reportedly by a large majority of the legislators, aimed at facilitating the taxation of Chinese incomes, the control of their remittances to China, and the type of education in Chinese schools. More stringent steps were taken when many Chinese opium addicts and "agitators" were deported, Chinese newspapers suppressed, Chinese schools closed down, and—most important from the economic angle—more occupations were reserved to Siamese nationals. The Chinese protest was long and vociferous, but the vast majority preferred to remain in Siam. They had come to make money and they continued to do so [464] though with more difficulty and smaller profits than theretofore. In 1941 the *Bangkok Times* estimated that the Chinese made up about 60 per cent of the non-agricultural laboring population, if those employed by the timber industries were excluded.

Europeans
Chinese

4

LABOR LEGISLATION AND WORKING CONDITIONS

466 357 ASIDE FROM the regulation of the traditional forms of compulsory labor, one of the first official steps taken to control workers—resembling similar measures in neighboring countries possessing sizable European populations—was regulation of the servant problem. Foreigners had become so vocal in denouncing the thievery of their servants and the lack of adequate means to bring these delinquents to justice that the Police Department in May 1901 circularized Bangkok's foreign residents in regard to a servants registration bureau. Initiative was thereby forced upon the employer group, who were required to bring their servants to the bureau for fingerprinting and later to supply information as to the time and cause of their dismissal. This proved to be too great a burden. Two months after the bureau was opened only 67 out of the 209 employers who had promised to support the system had even partially complied with the rules. The Hylam Chinese, who formed the vast bulk of the servant element, objected effectively, and nobody cared to trouble to register the occasional Malay, Thai, or Indian servants who had shown themselves recalcitrant to the idea. Employers suddenly felt themselves capable of managing their own domestic affairs, and the servant problem remained without official regulation.

466 494 The second step taken in government labor control was an attempt to regulate the ricksha traffic. The frequent accidents resulting from the ricksha coolies' assertion of the principle of free will could not be obviated since there were no traffic rules to be broken, and even if the coolie had been brought to court he would have had nothing to lose but a day's wages. Not until 1913 were measures enacted by which ricksha pullers were obliged to register, to pay a fee of three santangs for a license, which was issued only if the coolie were pronounced to be physically fit, between the ages of eighteen and forty, and conversant enough with Siamese to follow directions.

468 575 The only other attempt made by the absolute monarchy to deal legislatively with labor problems was to curb the activities of the Chinese secret societies which were held responsible for the few strikes that occurred around the turn of the century. A law of 1897 required all societies to register, but four years later only two had complied with the ruling and there was little inclination to take the stern measures required to enforce its observance. Strikes and famines were rare, and the government simply dealt with them as they occurred.

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Chinese

464 667 575 Inasmuch as unemployment had been a major factor in bringing the constitutional regime into being, the men who engineered the *coup d'état* of June 1932 promised to cope with it. However, this was done belatedly and incompletely by furnishing some relief to unemployed laborers, by sponsoring two economic surveys of the country, by placing more emphasis on technical education, and by opening a few labor bureaus. To meet the general unrest, the new administration forbade the formation of political parties and the continuation of secret societies. The supervision of all associations and clubs became so strict that it was virtually impossible to hold meetings except for religious purposes or sports activities.

[467] 466 At the request of the laborers themselves the government sponsored the formation of the first trade union and subsequently intervened in several of Bangkok's more serious strikes. Early in the regime wages were fixed for certain types of government employees, and functionaries were protected by a social insurance system. But no minimum wages or hours were ever fixed for employees in private industry and the labor of women and children was never officially regulated. Finally, in 1937, the government announced that it would make a labor survey, but no report of it was published before war broke out in the Far East. In January 1938 the National Assembly turned down a comprehensive labor law, designed to cover the whole field of wages, hours, woman and child labor, old age pensions, and workmen's insurance, by the overwhelming majority of 62 to 28 votes.

464 563 466 The crux of the Thai attitude lay in the fact that a large proportion of the country's laboring force was Chinese, and the nationalistic government had no intention of spending large sums for the improvement of their conditions of living and work. Thai legislators favored any enterprise, alien or indigenous, that would employ a certain proportion of Thai workers, and only the recognized unavailability of such labor prevented the Assembly from making it compulsory in all industrial undertakings. Attempts were made to oust the Chinese middleman so that the Thai farmer would receive more profit from his toil, but the serious problems of agricultural tenancy in the Menam valley and the general status of the rural Thai laborers were not directly tackled save for paper plans and the backing of a small-scale, albeit sound, cooperative movement. Such labor bills as were introduced into the Assembly were either disapproved or were shelved on the ground that they were too rigid to meet Siam's varying labor conditions. In any case, it was claimed, additional legislation should await the outcome of the labor survey under investigation. Whenever the ILO submitted conventions to the Siamese government for approval, the invariable response made was that under existing labor conditions such agreements were as yet unnecessary and in no case was a convention ever ratified.

000 Because the labor laws were so few, the lack of a single enforcing

Because the labor laws were so few, the lack of a single enforcing 647
agency was relatively unimportant. The Ministers of the Interior, Agriculture, Industry, Economic Affairs, and Mining handled any labor law 466
enforcement which arose in connection with their areas of competence.

Working Conditions

Wages. Early in its regime the National Assembly set Tcs. 30 as the 465
minimum rate of pay for those in government service, but it refused to do likewise for other types of labor including the workmen hired by some of its departments. When the permanent laborers of the state railways petitioned that their daily pay of 50 satangs (foremen received an additional 30 satangs) be doubled, the government replied that if the increase were granted the laborers would simply spend it on gaming and opium. Despite the paternalistic administration's efforts to teach them thrift, the workers—if they were Thais—were simply incurring more debts, and—if they were Chinese—were sending money out of the country. They were reminded that the supply of unskilled labor was unlimited as compared with the number of trained workers, and that should they become too demanding they could easily be replaced by machines.

Although the functionaries were comparatively well remunerated and 647
enjoyed the only real legal protection vouchsafed to workers, their status could hardly have been described as satisfactory. In 1938–39 almost 90 465
per cent of the civil servants were receiving salaries of less than Tcs. 980, and even this modest sum represented an improvement over the depression years. The number of functionaries had dropped from 78,343 in 1928–29 to 71,209 in 1933–34, rising only gradually to total a little over 100,000 individuals in the last year before the Second World War. The average annual salaries had declined commensurately from Tcs. 471.25 in 1929 to Tcs. 435.16, increasing somewhat in the years following the world slump to average Tcs. 469.61 in 1938–39.

The remuneration for rural labor varied from region to region and 465
could not always be represented in terms of money. Most Thai farmers were peasant proprietors, who were part-time craftsmen and who usually 434
worked for pay only temporarily and for some particular objective. In 1933–34 crops and handicrafts formed the chief source of farmers' incomes throughout Siam. In the south, crops and handicrafts were almost equal in importance, with work on the railroads and roads accounting for about half of an average of almost Tcs. 6 annually earned by those gainfully employed. In the north and center, labor's largest source of income was derived from agricultural work. In general, Thai farmers did odd jobs [184]
when they needed cash, the excess of earnings over expenditures differing according to the geographical region. In the northeast, annual profits in terms of ticals came to 0.58; in the south, 15.30; in the north, 13.27, and in the center and southeast, 7.10.

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166 464 465 In former times when the Laos migrated to the central plains for the six months' paddy season, they were lodged and fed at their employers' expense and returned home with a sum equivalent to $35 or $40—sufficient to last a man and his family for about three years. But these gullible Lao migrants were often the victims of professional sharks who so successfully fleeced them that they arrived home satang-less and were much less likely to migrate the following year. Consequently they were being more and more replaced by the local agricultural proletariat of the central valley which was rapidly growing because of the serious tenancy situation there. In good years a farm worker in central Siam might get from Tcs. 80 to 120 for the six months' agricultural season, in addition to free board and lodging.

464 In farming villages of the south where Malays predominated, less labor was hired than in the Thai regions, for the Malay social organization made it possible for a householder to get his dependents to work for him gratuitously. When fishing was done by groups exceeding the family unit, labor was hired but the pay consisted simply in a proportion of the catch.[9] Outside the Malay communities, hired labor was almost exclusively Chinese, but largely confined to the mines. The Thais, who nowhere cared to work for others, in the peninsula experienced even less compulsion to do so because of the cooperative abundance of nature. Peninsular employers found it almost impossible to get laborers for agricultural tasks because mining and rubber tapping were so much more remunerative; where it was available wages amounting to Tc. 1 a day were paid.

Apart from civil servants and occasional agricultural laborers, the only genuine wage-earners in Siam were employed in Bangkok, in the mines and plantations of the south, and in the teak forests of the north. The labor employed by the government was engaged almost wholly in the construction and maintenance of communications.

465 Wages paid by firms in the capital remained fairly stable during the period from 1933 to 1939, the daily pay of coolies averaging about 75-80 satangs for men and 60 satangs for women for a day's work of eight to nine hours. In 1938–39 the highest paid class of workers, such as fitters (Tcs. 2.11), turners (Tcs. 2.34), and blacksmiths (Tcs. 2.47), received approximately the same wages as during the period immediately following the depression. The pay of other workers remunerated on a monthly basis, such as watchmen (Tcs. 25.46) and head coolies (Tcs. 71), represented a slight increase over the years 1933 to 1934. In the interior districts the average pay for unskilled labor was about 65 satangs for men and 50 for women. European firms were reputed to pay the highest wages.

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[9] Andrews, *op. cit.*, p. 63.

In the mines where Chinese labor was almost exclusively employed no 465
data are available as to rates of pay or the amounts earned, but it was
believed that both Chinese employers and coolies generally preferred the
tribute system. And the Chinese usually preferred piecework to daily
hire. Thais, on the other hand, resisted all efforts to place their labor
on the piecework basis, despite the higher incomes it would have brought
to the laborer. In 1933 it was claimed that an energetic coolie, on a
piecework basis, could earn as much as Tcs. 167 a month simply for
dumping paddy into baskets, whereas a day laborer would receive only
Tcs. 22-46 for the same time-span. Such workers were lodged but not fed,
and fluctuations in the weather and in the market made almost all of
this type of employment irregular. During the depression, when the
price of paddy slumped badly, the Thai farmers succeeded in reducing
the cost of their labor from 60 to 70 per cent, and at the processing end
of the industry the laborers also suffered since the bonuses paid by Chinese
millers to loading coolies were likewise reduced, the employer
pocketing the difference.[10] No official efforts were made to compute living
costs, which admittedly varied regionally and according to nationality.
In larger up-country towns in 1941 the average cost of living for a "decent 369
married couple" with one child would be upwards from Tcs. 400 a 434
month, and for a bachelor, from Tcs. 300. The same couple living in
Bangkok would require Tcs. 500-600, and a bachelor, Tcs. 400.[11]

Hours. The authors of the two economic surveys of Siam found it impossible 243
to ascertain the number of hours regularly spent on the fields by 466
the agricultural population—that is, the very great majority of the people
living in Siam. By its nature rice-farming is obviously seasonal, with
periods of idleness alternating with others of arduous labor.

In Bangkok industrial laborers averaged a 50-hour week during the 466
years from 1936 to 1938, but in the latter year and in 1939 the working
week was increased to 54 hours, except in the case of a few categories of
skilled laborers. Office clerks worked a 44½-hour week. All workers
seem to have enjoyed a weekly holiday and, in addition, 17 other days
were observed as national holidays as well as 15 commercial holidays. No
information is available as to whether paid vacations were widely prevalent.
Presumably they depended upon the generosity of the individual
employer. As has been previously noted, the hours of work and of leisure
were customary and not generally based upon legal provisions. A law
introduced into the Assembly in 1938 to reduce universally the working
day to 8 hours was turned down. In July 1940 a member of the Assembly
introduced a labor bill to make uniform and regulate hours of work, to
require a written contract between employers and employees that would

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[10] *Bangkok Times*, November 25, 1933.

[11] *Ibid.*, March 28, 1941.

466 specify the type of work to be done and the hours and wages therefor, and would provide for termination of the contract upon a month's notice being given by either party. The bill's sponsor also intimated that he would like to insert clauses providing for a fortnight's paid vacation annually, and for overtime and sick leave with compensation. The government asked that the bill be withdrawn; just when the country was being industrialized was no time to introduce such legislation. The majority of laborers, it asserted, were treated as members of the employer's family; the majority of employers—and this included the administration–treated their laborers fairly and justly. The bill was duly withdrawn.

464 *The labor of women and children.* The extent to which women and children were employed as laborers in Siam is not known, for labor surveys, reports and statistics are lacking. Women and children certainly performed a considerable amount of agricultural labor in the rural areas, and Thai women were active as small-scale vendors in the local markets. In Bangkok it was brought to the Assembly's attention that the match factories employed boys five or six years of age, who should have been in school had the law for universal primary education been strictly enforced. Either the problem of woman and child labor was not sufficiently acute, or in its extreme forms involved only aliens, or Thai legislators were too apathetic in their attitude–whatever may have been the chief causes, the Assembly turned down a bill introduced by the government in January 1938 to set 15 years as the minimum age of employment. In 1941, when the government was making a serious attempt to solve the unemployment problem, it was stated that men would be preferred to women applicants for positions in the bureaucracy unless the latter offered special qualifications.

466 *Housing.* No material seems to be available regarding the housing
362 specifically supplied to laborers. The *Bangkok Times,* in March 1941,
said with its usual conservatism, "free housing is not always provided
laborers." Presumably it was no problem in most rural areas except in
the isolated peninsular mines and in the northern lumber camps. Tene-
ments *(hong tao)* were a familiar eyesore and menace to public health
[548] in most Thai towns. (One of the chief attractions furnished by opium
[652] dens has been the free lodging supplied to addicts.) The government not
only did virtually nothing to improve the housing situation but in the
[423] capital the Privy Purse became one of the biggest owners of that unfortu-
[731] nate type of real estate. Bangkok's regular and devastating fires did
much to clear out some of its rookeries but what was hastily built to re-
place them marked little improvement either from the aesthetic or the
hygienic viewpoint. In the years just prior to the war the municipalities
had taken over and were showing more interest in town planning, but
000 little more than paper projects had resulted. Rents in Bangkok have

Rents in Bangkok have
regularly been higher than elsewhere in Siam, and in 1941 it was claimed 427
that there were very few houses there available at a rent lower than Tcs. 369
85 to 100 a month.

Government and Labor

Under the absolute monarchy the government felt that it had little 731
cause to intervene in the employment situation. The type of agricultural 464
employment widely prevalent in Siam generally confined such labor prob- 746
lems as existed to the capital. Economic conditions were not consistently bad in any part of the country, so that only an occasional and localized rice famine moved the government to action. In 1917, when the seasonal Lao laborers could find no work in the central provinces, the government took the novel step of providing some relief. The Irrigation Department agreed to offer work at regular wages together with food and lodging to all laborers who offered their services. The provincial authorities were asked to publicize the offer in the distressed areas and to provide transport for those wishing to avail themselves of the opportunity. The number of applicants reached 2,500 at the Nong Quai project, and the authorities declared themselves satisfied with the results.

Until the end of the 1920's the government confined its intervention to 548
specific emergencies, although the closing of gaming houses in 1917 and 674
the growth of crime in the provinces induced some slight consciousness
of their general relationship to the economic and social status of rural 464
labor. There was little appreciation of the danger of forming too large 874
a white-collar class; no serious or consistent attempt was made to train 647
Thais in technical fields nor to overcome the bourgeoisie's long-standing reluctance to seek other than civil service employment. It was not until King Prajadhipok pruned the bureaucracy, which his predecessor had permitted to expand, that it became apparent that every year an increasing number of Thai youths were being educated for a civil service that was contracting rather than expanding. A proposal made in 1929 to create a Labor Bureau proved abortive. In the final year of the absolute monarchy the Minister of the Interior made a limited survey of coolie unemployment, which revealed that there were, at a conservative estimate, 4,267 unskilled workers without jobs in Bangkok alone.

Although the revolutionaries of 1932 in their first manifesto accused 647
the absolute monarchy of having neglected the unemployment problem 464
and promised to solve it, nothing was immediately done and what was later accomplished applied chiefly to unskilled laborers. A month after its assumption of power the new government enacted regulations for the creation of labor bureaus under the Minister of the Interior, but the first step toward their establishment was not taken until the end of 1932 and then only because uncontrolled agencies were believed to be unscrupu-

464 647 lously exploiting the jobless. For the next three years little was publicly made known of these bureaus' accomplishments. When the Minister of Economic Affairs was under fire in the Assembly in October 1935, he claimed that they had helped over 3,000 laborers find employment in the departments of public works, railroads, and on the rubber estates, and that only 200 still remained on the unemployed registers. When the question was brought up again in January 1938, the government evaded the issue.

746 464 In reply to its critics the government could justly assert that Siam had not felt the economic slump until late, that many unemployed aliens had been repatriated, that much of the country's agriculture was still self-sufficing and therefore unaffected by world prices, and that the monasteries regularly absorbed a certain proportion of the unemployed. In the spring of 1933 the government initiated a relief measure by providing work for 1,200 laborers in constructing a road from Paknam to Bangsue. However, not only did this fail to absorb a good proportion of the unemployed but the government had tactlessly placed in the road gangs minor criminals and tax defaulters. The government persisted in sending out a second batch, despite open criticism and the escape of some 300 from the original group of laborers. The criticism offered in this instance did not concern the government's motives but was leveled against the average wage rate (given above) paid to these workers, the poor living and working conditions prevailing, and the inclusion of numerous Chinese. By the following August the government decided that the limit of this type of relief employment had been reached and circularized the Ministries to discover how to meet the continuing unemployment problem in other directions.

Although nothing visible materialized as a result of this questionnaire, the government in 1934 did make an attempt to collect more complete statistics on unemployment by opening fee-less registers for jobless workers at the various local headquarters and by requiring all who sought government employment to register there. Judging from the scanty data available, the number so registered, in both the skilled and unskilled categories, amounted to only a few thousand. Private employment agencies were legally placed under the Minister of the Interior and were required to obtain operating permits which were liable to cancellation if proof were forthcoming that these agencies had abused their privileges.

464 874 A seeming admission that the government was unable unaided, or within the emergency period, to find a solution to the unemployment problem, was to be found in the official appeal for assistance made to private industry. Firms in Bangkok were requested to train youths for commercial and industrial careers through a pseudo-apprenticeship arrangement pending termination of the time-lag required before the revised curriculum in government schools oriented students toward such

464 874 fields. This shift in emphasis in the state educational program represented the first constructive official effort to eliminate the plethora of white-collar candidates, but probably the apprenticeship scheme was a failure as nothing further was heard about it. Undoubtedly the constitutional regime's trend toward state industries, then gathering momentum, was already alarming foreign businessmen in Bangkok who would have been correspondingly averse to furthering the government's program. Although the economic schemes of Luang Pradit and Phra Sarasati were duly shelved, the handwriting on the wall was unmistakable, and those with sufficient vision to read it began prudently withdrawing from Siam.

474 452 464 Problems of rural unemployment were theoretically to be met by a ten-year plan launched in 1936. Farmers were to be helped to acquire more land and scientific knowledge, chiefly through the agency of the cooperative societies. This movement, begun in 1917, received a great impetus during the 1930's and while successful it has necessarily been slow and affected only a small portion of the agricultural population. By the end of 1936–37 a total of only 770 societies had been formed in 18 *changvads* with a membership of more than 11,000 farmers. Nevertheless, for members of these societies interest rates on long-term loans had been brought down to 7½ per cent and on short-term loans to 9 per cent, thanks to outright grants by the government to the Cooperative Department. Although the Thai peasantry was generally inarticulate and totally unorganized, the existence of rural unemployment was widely recognized. Assembly members and the premier alike received many petitions and some delegations of agriculturists who were not wholly satisfied with speeches, paper plans, and signed photographs, and whose discontent was pointed up by the bad rice harvest of 1936–37. But the government's and the public's attention was more directly focussed in the late 1930's on the growing number of strikes, on the Chinese boycotts of [468] Japanese merchandise, and on the draining off of the profits made by foreigners to their homelands.

464 To meet the growing urgency of labor problems, to resolve questions which were being approached almost exclusively from the emotional angle, and to acquire some of the hard facts requisite to drafting appropriate legislation, the government determined to undertake a detailed labor survey. An accurate analysis was hard to make because of the prevalence of part-time labor, the Chinese talent for evasion, and the Thai addiction to bluff about capacities and training. Although the results of this survey were not publicly known before the Japanese occupation of Siam, the census taken in 1937–38 furnished the most recent information available on the country's unemployment situation. In the following table the unemployed are defined as those who used to work before but were without employment at the time the census was taken:

464 if the figures accurately represent the situation, unemployment can hardly be said to have been a major problem in Siam.

TABLE XII: UNEMPLOYMENT IN SIAM, 1937–38

Occupations	*Males*	*Females*	*Total*
Agriculture and fishery	4,849	2,292	7,141
Forestry	454	94	548
Commerce	532	303	835
Industries, crafts, and engineering	800	106	906
Mining	52	17	69
Transport and communications	419	19	438
Public services	127	3	130
Professions	146	52	198
Household and private affairs	704	361	1,065
Clerical	94	1	95
Total	8,177	3,248	11,425

647 In the spring of 1941 the government created a new division, under the
464 Ministry of Economic Affairs, which was to deal exclusively with labor
problems in its three sections entitled Labor Registrations, Unemploy-
746 ment, and Relief. Its chief function was, frankly, that of finding work for unemployed laborers and, as a minor activity, "moral and health control especially in regard to female and child labor." The following October a law was promulgated requiring every male between the ages of twenty-one and fifty-five to have either regular employment or an assured income. Students, monks, disabled and deranged individuals were exempted from this ruling but all unemployed persons were required to report their status to the local authorities. Commissions in each *changvad* were set up to find jobs for them and penalties were established for non-compliance with the new law. Two days later another bill was passed to prohibit begging—almshouses were to be founded by the government for incapacitated paupers, but the able-bodied would be sent by the new employment exchange to work peninsular mines, presumably to displace the Chinese laborers there.

5

ORGANIZED LABOR

468 THE FEW STRIKES instigated by Chinese coolies around the turn of the
[668] century were treated as part of the activities of secret societies, not as labor problems. Despite their periodic violence, the Chinese were re-
563 garded as industrious citizens, easily assimilated, who were the mainstay

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in solving Siam's only labor problem—at that time one of shortage and not of competition.

Apart from white-collar unemployment and a few anti-Japanese boycotts by the Chinese, other types of labor problems were virtually unknown under the absolute monarchy. In general the people accepted whatever their superiors chose to deal out to them. But the *coup d'état* of 1932 encouraged opposition to all forms of authority, and the prevailing unrest affected a wide range of society, from Buddhist monks to schoolboys. The very lavishness of the new government's promises to better conditions provoked a series of strikes, beginning in August 1932, among Bangkok's ricksha pullers, tramway employees, and women dyers.

The most remarkable of these was that of the ricksha coolies, who were aliens without insurance against starvation or deportation, and with no legal protection except on grounds of assault and battery. Yet these men, who fought each other over a single satang, finally united to demand better treatment from the owners of the rickshas who charged them the outrageous rental of 40 satangs a day. This in itself was evidence of the spread of new ideas, as was also the government's willingness to mediate in a wholly Chinese labor dispute. The results, however, were somewhat disappointing and the compromise reached was effected partly through the pressure of hunger. In contrast to this halfway success, the women dyers won their strike, but not on the basis of any principle but because through the delay the fruit used in dyeing was spoiling.

Beginning in November 1932, a strike simmered in the oldest of Bangkok's industrial enterprises, the Siam Electric Company, over the dismissal of some workmen accused of dishonest practices, and an alteration in contracts. The employers' proposal to solve this strike was to insist that the suspects take an oath that they had not robbed the company; an oath was of paramount importance to Buddhists. By this time the government felt that it must take some stand not only against strikes but also to curb the innumerable petitions it was receiving from every group with a grievance. The police were deprived of their power to deal with labor troubles, for the administration was determined to be the sole agent handling workers' disputes.

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No doubt because their skeleton organization was the oldest in Bangkok, dating back to 1897, the tramway workers were the first labor group to organize themselves into a pseudo trade union, comprising about 300 men. The union's avowed aim was to teach thrift, help the aged and the crippled, and promote harmony among the Siamese—chiefly by stabilizing their livelihood. The government could not but approve such worthy objectives and granted the union's request to register its association. This was done with great ceremony, including an address by the Minister of the Interior and incantations by monks. Not wishing to appear indifferent to, or over-enthusiastic about, this first legal association of Siamese

467 workers, the government decided to try transforming it into a super Boy Scout movement—to the workers' distress. When the Siam Electric Company [468] refused to recognize the association's committee, in connection with a dismissal grievance, the government was twice asked by the workmen to intervene. Although Phya Mano's government protested that the association's registered aims did not include such interference, the Minister of the Interior was assigned to review the situation. What he actually did was little more than to ask the company to do the square thing by the workers and to tell the association that the government saw nothing unreasonable in the company's regulations—in short, the men were merely advised to return to work. But the most important part of the Minister's action was his promise that in the future, if any injustice were done, the State Councilor would take the matter under consideration. Thus it can be said that the administration did not follow the company's lead in ignoring the association, and it definitely encouraged the workers to look to the government for mediation and counsel. The association responded by taking a more active interest in the political situation. When it was rumored that Phya Bahol was about to resign from the Cabinet, it sent a telegram to the king asking him to return to the capital.

468 During the next few years a series of minor strikes occurred which were no longer confined to Bangkok. In December 1934 the capital's taxi-drivers struck for higher wages and against the parking regulations. In July 1935, the drivers of the hundred buses running between Chiengrai and Lampang, after calling a strike, received a wage rise. In August 1936 two hundred mining coolies at Yala went on strike because of a 10 per cent wage cut, which, however, was not restored.

In contrast to these isolated strikes which established no decisive trend, two others of major importance occurred in Bangkok early in 1934. Mill strikes were not a complete novelty in Siam, but never before had one occurred on so large a scale, or at a time when the mills were running at a loss because of the fall in paddy prices in the world market. The millers claimed that the coolies struck because they lacked the money to spend on the usual entertainments marking the Chinese New Year. The coolies, believing that their employers were stalling, asserted that they must be making money as there were ships in the river waiting to load cargo. After a brief impasse the strikers made two rather surprising moves. They asked the head of the Tramway Association, representing the only organized labor in the country, to intercede in their behalf, and they petitioned the government not only to mediate but to take over the mills if necessary. In a public statement issued simultaneously, the strikers announced that they were mainly concerned with the welfare of the Siamese nation. The administration was willing enough to mediate but it was so slow in obtaining results that violence broke out—five cases of stabbings occurring on a single day. A by-product of this strike (char-

acteristically overseas-Chinese) was the forced collections of money taken 468
up on behalf of the strikers through the sale of Phya Bahol's and Luang Pradit's photographs.

Before this strike was settled, a similar but shorter-lived disturbance occurred among the railroad employees. One morning, without warning, the train service in Bangkok was suspended, and the laborers took over the trains and railroad offices in the city. Like the mill strikers they made an appeal to public opinion. They put up a poster stating that the railroad authorities lacked any sense of justice and that the government should see that order was restored by replacing them with army officers. The Minister of Economic Affairs hastened to address the assembled company but he was shouted down. The strikers would not be placated until the premier himself appeared upon the scene. He said that he would meet their demands half-way by appointing officers to run the railroads temporarily and by setting up a committee to study the strikers' grievances. The crowd accepted the proposals and promised to return to work. As a military man the premier could not help being pleased by their obvious faith in the army's integrity, but as head of the state he could not condone their strike nor their distrust of the higher civil appointees.

The government's handling of the railroad strike was in marked contrast with its attitude toward the striking Chinese rice coolies. In neither case was the strike called for higher wages and the government's intervention was not only accepted but solicited. Out of the railroad strike came the creation of a permanent committee to deal with labor problems under the chairmanship of the governor of Bangkok—tantamount to the official recognition of the existence of standing labor problems. But rural labor problems were still ignored and the fact that the railroad strikers worked under far better conditions was apparently not appreciated. Even this embryonic labor department caused some misgivings. Many seemed to fear that the very existence of such a committee would encourage labor to think itself badly treated and to conjure up imaginary grievances. The best paid labor was undeniably that of private firms; and since the government had no spotless record as an employer, its assumption of the moral right to arbitrate in all labor cases was criticized. The conservatives and general disparagers of the constitutional regime claimed that labor was no legitimate experimental field for Siam's apprentice-politicians.

But it was the laborers themselves who more and more forced their 467
way into the political arena. In the elections for the National Assembly 665
held in 1937 thirteen labor candidates presented themselves. One group, composed chiefly of taxi-drivers, formed themselves into the Winged Wheel party and raised enough money to sponsor a candidate. To the astonishment of Bangkok, labor was awakening, at least locally, to a sense of its own importance.

468 186 464 The rice-mill coolies' strike had different implications and even wider repercussions. Its immediate result was the deportation of seven of its ringleaders to China. This strike, indeed, precipitated the whole issue of foreign labor in Siam. The government realized that it must move warily, since the numerical predominance and indispensability of Chinese laborers at this time gave them the power to create an unpleasant situation. One of the administration's major motives in instigating an accurate and detailed survey of the labor situation was its desire to replace Chinese labor by Siam labor as far as possible. Nationalism, rather than the wish to improve the status of labor as such, lay behind such legislation as Siam built up.

[467] The whole labor movement, insofar as it has grown into self-consciousness and received official sanction in Siam, has been confined to some of the industrial workers in Bangkok, who form only about 1 per cent of the total laboring population. Conditions among the agricultural workers have been not only different but probably also far worse, especially in the Rangsit area. Little has been done either to improve their status or to assure the country of a more abundant supply of labor generally. The negative policy of drastically curtailing Chinese immigration has done anything but help to further Siam's self-imposed, nationalistic goal of economic autarchy.

6

POSTWAR DEVELOPMENTS

465 LABOR IN POSTWAR SIAM has undergone no marked development and, as in prewar days, still lags far behind all other countries in Southeast Asia. Such progress as has been made is largely due to the increased demand on a smaller labor supply, owing to the needs of reconstruction and the delayed resumption of Chinese immigration. In view of this bargaining advantage, laborers in Siam can command wages roughly five times the prewar rate. Also, the abundant food supply, which Siam alone in Southeast Asia enjoys, affords workers the option of demanding supplementary allowances or turning to other employment. However, current high wages are actually only small inducement to laborers for the stocks of consumer goods are extremely limited, housing is very short in the towns, and living costs are inflationary.

464 A certain amount of unemployment exists, partly voluntary and partly due to the heavy influx of labor from the rice fields to the cities during
000 the Japanese occupation. Strikes have been more frequent than during

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Strikes have been more frequent than during a comparable prewar period, chiefly among the Chinese. These strik[illegible] 68 have been caused by the widening gap between wages and living co[illegible] 666 and, to a lesser extent, by political stimuli. The latter are related excl[illegible]sively to the Chinese and to politics in China and not in Siam. Siames[illegible] laborers remain singularly unresponsive to the appeals which local politicians are beginning to make for their vote and are only beginning to show an interest in the improvement of working conditions in their country and in their status as compared with that of workers in foreign lands. Generally speaking, labor in Siam remains almost wholly unorganized and without political representation or consciousness.

Forced Labor

The military labor battalions conscripted during the war have pre- 466 sumably been disbanded concurrently with the recent, large-scale demo- 722 bilization of the Siamese army. Some of these labor conscripts probably have returned to their farms but, judging from frequent official appeals to "return to the land," many of them must have drifted to the towns and remained there. Those who were drafted for the Petchabun project are slated to receive special compensation for their services and suffering, although the issue has become a political football because of its association with the discredited Pibul regime.

On December 7, 1944, half a year before the war ended, the Aphaiwong Government presented to the Assembly a plan to abolish labor conscription; those who had violated or evaded the law were to go unpunished. More than a year later a proposal was made to the same body that compensation be given to those who had worked at Petchabun or to the families of those who had died from forced labor there. During the discussions of this plan, which was finally accepted by the Assembly, the Minister of the Interior stated that the number of laborers conscripted to work at Petchabun had totalled 100,000, of whom 10,316 deserted and 4,000 died. It is safe to assume that any future attempt to levy labor forces from local sources will be rejected because of its association with an unpopular, dictatorial regime.

Estimates differ widely as to the number of workers brought by the [728] Japanese to Siam for labor on defense and communications projects. But [727] it may be deduced that somewhat fewer than 100,000 Malays, Koreans, Chinese, and prisoners of war were imported for that purpose by the Japanese military authorities. After V-J Day, the British occupation forces rounded up the survivors and sent them to camps located in Bangkok and in the peninsula. According to reports, repatriation of these laborers did not begin until the end of January 1946. Many thousands are still missing and the repatriation process will undoubtedly take a long time.

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Japanese

466 727 During the past year the tables were turned on the Japanese and great numbers of them were compelled to work on the restoration of Siam's communications and agricultural output. Following a schedule of priority projects, British supervisors assigned Japanese units to such work. For some time the question of payment was debated on the grounds that the Japanese being so used were not prisoners of war but surrendered troops. It is reported that the problem was solved by paying Japanese farm laborers at the rate of about a baht a day; but no information is available as to the wages earned by Japanese working on reconstruction projects. An important function of this forced Japanese labor has been [468] its use on occasion, along with convicts, as strike breakers, particularly in work stoppages affecting the movement of paddy and rice. It is believed that some 10,000 Japanese will be retained, perhaps indefinitely, in Siam for labor purposes.

Labor Shortages and Unemployment

727 464 The dislocations suffered by labor during the Japanese occupation have not yet been remedied. The President of the Singapore Chinese Chamber of Commerce, after an extended tour throughout Southeast Asia during the summer of 1946, reported that as yet only half of Siam's prewar farm workers had returned to agricultural production.[12] Many, he said, had been displaced or had died—either from harsh treatment or simply from lack of medical care—and the remainder were demanding prohibitively high wages as the price of their return to rice cultivation. High Siamese officials have frequently maintained that a major cause of Siam's failure to meet its rice commitments to the United Nations has been the continuing shortage of agricultural labor.

166 [369] 464 A contradictory phenomenon, which has not yet achieved the proportions of a national problem, is the existence of unemployment. This, perhaps more than any other contemporary factor, indicates a changing attitude on the part of Siamese workers. Before the war a Bangkok employer was compelled to offer wages large enough to meet the higher cost of urban living in order to retain workers who, without such an inducement, tended to gravitate back to more congenial rural areas and cultivation of the soil. Now, however, the laborer in Siam not only has the option between urban and rural employment but has a wider choice of occupation in the cities where he has apparently elected to stay and where there is a greater demand than ever before for his services. Many Bangkok employers, complaining of the prevailing scarcity and choosiness of domestic help, attribute it to the Japanese habit of "spoiling servants." In December 1945, Pradit Manudharm, Siam's senior statesman, censured

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[12] *Liberty*, July 31, 1946.

the "finicky" attitude of those complaining of unemployment, attributing 166
their status solely to their desire to "pick and choose their jobs."[13] Some 464
unemployment, however, was certainly due to the involuntary wartime displacement of laborers, which left workers stranded far from home because of the breakdown in the country's transportation system.

The government, which is in desperate need of workers for its recon- 464
struction and agricultural programs, has taken a few steps to provide 746
employment for those willing but unable to find work. In March 1946, 3,000 or more openings were publicized as available to unemployed Siamese through the Department of Public Welfare. Since that time no further such news items have appeared, possibly because of a poor response to the original announcement. Retention of Japanese troop labor and the utilization of some of the thousands of refugees from Indochina on road projects along the eastern frontier[14] indicate that there is still a serious shortage of Siamese labor and that such unemployment as still prevails is voluntary.

Strikes

Siam's labor shortage, inflationary living costs, and, to a lesser extent, 468
unsettled political conditions have been responsible for the few strikes that have occurred in Bangkok since the Japanese surrender. The first important work stoppage occurred on November 16, 1945, when the Chinese rice coolies employed by the Thai Rice Company struck for higher wages. Originally about 2,000 stevedores and mill workers were involved, but their number was at one point increased by a one-day sympathy strike staged by the convicts who had been brought in, at first unknowingly, as scabs. Shortly thereafter employees of the government and of Chinese rice mills also struck. At its peak, the strike possibly involved some 4,000 participants.

Negotiations between representatives of the laborers, the government, and the mill proprietors resulted in a compromise. This agreement, reached on November 28, provided for a wage increase, the right to stop work at midnight, and extra pay for Sunday labor.

Workers at the Chinese mills, owners of which were the most prompt to meet the strikers' demands, were the first to return to their jobs. The Thai Rice Company, on the other hand, refused to accept the compromise terms and referred the issue back to the Minister of the Interior. Eventually this company, too, fell into line.[15]

Considerable speculation surrounded the motivation of this strike.

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[13] *Ibid.*, December 22, 1945.

[14] *Ibid.*, May 3, 1946.

[15] *Democracy*, December 17, 1945.

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468 Rumors circulated in Bangkok to the effect that it had been government-inspired, as part of the stalling tactics currently employed to impede the export of the free rice levies then being demanded by Britain. Since the strike was confined to Bangkok, and essentially to Chinese stevedores, it was also popularly assumed to be related to the recent Sino-Siamese disorders. Still other rumors claimed that this work stoppage had been Communist-inspired and alleged that the hammer-and-sickle symbol had appeared on the document listing the strikers' demands. Almost no purely economic explanation of the strike was offered or accepted, but none of the foregoing assumptions or allegations was subsequently substantiated.

In February 1946 the porters in Bangkok's lumber yards went on strike, and a political motivation was also found for this action. It was said that the opposition party, then that of Pradit, was fomenting unrest among the coolies. Later in the year, mostly in June, other strikes occurred among the workers on the state railroads, naval dockyards, and tobacco factories. The most important of these was one by the laborers at the Makasan railroad workshops, involving some 2,000 workers. Strikers presented six demands to the authorities which included full wages and living allowances during officially ordered work stoppages and during a two-week holiday period as well as throughout the course of the current strike, and the same rations in foodstuffs and other commodities as were allotted to government officials. On the second day of the strike two assemblymen belonging to the Democratic (then opposition) Party harangued the laborers and tried in vain to induce them to return to work.[16] But the strikers marched to Premier Pradit's residence and presented their grievances to him. The Premier summoned for consultation the Minister of Communications and the Director General of the Railroads and told the strikers that he would soon settle the matter. They promised to return to work the next day and presumably received satisfaction, for nothing further was heard of the strike or even of the terms of settlement.

Simultaneously with the railroad strike, 1,500 workers at the Bangkok naval docks went on strike in protest against a recently revised method of computing their living allowances. They also demanded free medical care and the distribution of clothing at reduced prices.[17] As the result of mediation by an assemblyman, an amicable settlement was reached; the method of computing allowances was altered, the men returned to work, and nothing further was heard of their other demands. However, workers in other government defense departments—those of transport and the air-force workshop—were voluntarily accorded identical benefits.

000 The most significant strikes of the spring and summer of 1946 were

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[16] *Ibid.*, June 8, 1946.

[17] *Ibid.*

468 668 439 The most significant strikes of the spring and summer of 1946 were those again staged by the Chinese rice coolies who, intermittently from April to August, stopped work for a combination of political and economic reasons. As such strikes drastically affected Siam's rice exports, which had become a major factor in Siam's relations with Britain and the United States, and as the strikers were exclusively Chinese, the situation took on a serious political character. In the April strike, the workers insisted that the rice they were loading on ships destined for Chinese ports should not be used for troops fighting for the Central Government and that it should be honestly distributed among the famine-stricken people of their homeland.[18] It was reported that a Chinese merchant in Bangkok had diverted some of the rice to the black market and the profits therefrom to his own pocket and had substituted inferior grades in the relief shipment. Subsequently the delinquent merchant was forced to make an appropriately large donation to the local relief fund for China.

The second strike, which began in June, also concerned the mishandling and the destination of the rice relief shipments to China. When going on strike, the coolies stated that they would return to work only if future rice relief shipments were handled by the Southern China Relief Committee of Siam, of which Mme. Sun Yat-sen had recently accepted honorary chairmanship, and if representatives of that organization were sent to China to supervise the distribution. Messages were dispatched by the strikers to the Generalissimo, the Minister of Food, and the chief administrator of Canton province requesting the assurance that the strikers' demands would be met. Only vague replies were received, and in consequence the strikers, at least up to mid-August, had not returned to work.[19] In connection with this second strike a new and significant development was evident. A news item [20] announced the arrest of "two other Siamese on a charge of instigating rice-loading coolies to strike." This is the first public indication of Siamese participation in a Chinese strike, and it may substantiate the rumors of a recent increase in the Siamese membership of the local Communist party, which heretofore had been almost exclusively Chinese.

Political Consciousness of Laborers in Siam

468 668 The conditions now prevailing for laborers in Siam are in general so favorable to them that comparatively few strikes have taken place, and those that have occurred resulted in major concessions to the strikers. The political orientation of the rice coolies' strike indicates their pre-

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[18] *Liberty*, April 23, 1946.

[19] *Bangkok Post*, August 13, 1946.

[20] *Liberty*, August 20, 1946.

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468 occupation with China's internal struggle but offers no evidence of any connection with domestic Siamese politics.

668 The strikes initiated by Siamese workers seem to have been wholly motivated by current inflationary conditions. Their only political implication seems to lie in the amenability of both employers and employees alike to accepting a settlement by the government authorities. Such docility on the part of the Siamese laborers is of growing interest to local politicians. Various assemblymen have assumed the role of labor conciliators and sponsors. For the first time in Siam's history May Day was celebrated this year in Bangkok—and under the auspices of the Sahacheep Cooperative Party. Prince Sakol Varavarn, the party's advisor, addressed a throng (variously estimated to number 300 or 3,000 persons) and bewailed the lack of any provision in Siam's new constitution guaranteeing labor's right to collective bargaining and of any labor representative in the newly elected Parliament. He and the succeeding speaker denied any affiliation with communism and urged their listeners to support the Sahacheep Party. The response to such efforts cannot have been very great as there was no vote in the by-elections of August 5 which could be interpreted as having voiced the aspirations of labor. Laborers in Siam still seem to be politically passive, and no large-scale attempt has yet been effective in making them more self-conscious as a class or as a potential force in the government.

Labor Organizations

667 Since the Japanese surrender, increasing efforts, although still few in number, have been made by Siamese labor to organize into unions. The government has shown some recognition of the need to set up machinery for handling labor disputes, but as yet in only a half-hearted fashion.

Chinese laborers in Siam have organized themselves into groups which are sometimes referred to in the local press as unions but which have received no official recognition as registered associations. Presumably they have more the character of the traditional Chinese guilds or secret societies, and bear only an embryonic relationship to unions. They seem to fulfil, however, some of the functions of unions. In August a delegation of laborers, its national composition unknown, called upon D. H. Blellock, an ILO counselor who was visiting Bangkok. Blellock reported himself "delighted to find in existence a spontaneous movement on the part of labor to advance its own interests. I sensed from their conversation that a movement for the formation of labor unions is taking shape and will soon be an accomplished fact."[21] Blellock added, however, that labor conditions in Siam were very unsatisfactory—"far worse than in Malaya, Ceylon or South Africa"—and commented

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[21] *Ibid.*, August 31, 1946.

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that such legislation as existed was futile unless officials were trained to 667 apply it and made a regular study of local labor conditions.[22] It is interesting to note that this delegation was escorted to the conference with Blellock by an assemblyman and that some interest was expressed in ILO activities and in labor conditions in other countries.

Since the end of the war, a few trade unions have been organized among Siamese workers. In January 1946 a printers' union was said to be in process of formation, with a membership of approximately 2,000.[23] Two months later a union of samlor drivers was successfully organized by a prominent politician after an abortive attempt to accomplish the same feat just prior to the January elections.[24] In May another group of transport workers met to form themselves into a union and, reportedly, before taking the step sought the approval of the opposition leader, Khuang Aphaiwong. Early in August, still a third group of laborers in the same industry—bus drivers—were said to be organizing a union on a nation-wide scale.[25]

Taking its cue from the apathy of laborers toward organizing them- 647 selves and preoccupied with more urgent problems, the government has 668 made virtually no move to deal with labor problems. There is no Department of Labor and no machinery for handling disputes; when a conciliation is required a variety of officials try their hand at effecting a settlement. Usually the more important disputes are referred to the premier, who must take time out to handle matters which should have been settled far down the hierarchical scale. Spasmodic paternalism remains the Siamese Government's only answer to local labor's demands. To be sure, last August a committee representing seven Ministries, but no representative of labor, was appointed by the government "to study various aspects of Siam's labor problems"—but not primarily for labor's welfare. The appointment was made "in preparation for the arrival of [648] an ILO representative" in Bangkok and for Prince Sakol's representation of Siam in the forthcoming ILO conference at Montreal. It has long been the Siamese Government's policy to participate in all international bodies and to represent the country as in the vanguard of all progressive movements. It is barely possible that these two last-mentioned events will precipitate studies preparatory to the improvement of labor conditions in Siam. More likely, not until large groups of Siamese are themselves involved in strikes or show a more lively interest in domestic politics as a labor group, or until striking Chinese coolies interfere more seriously with Siam's rice exports, will the Siamese Government set about formulating a labor policy in earnest.

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[22] *Democracy*, September 2, 1946.
[23] *New World*, January 4, 1946.
[24] *Suphaburut*, March 16, 1946.
[25] *Democracy*, August 9, 1946.

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SUPPLEMENT

NOTES ON LABOR DEVELOPMENTS IN 1946–47

121 A JOURNEY UNDERTAKEN by the author between December 1946 and June 1947 to some of the principal cities of Southeast Asia had for one of its objects the collection of information on the latest developments in the region's labor conditions and labor movements. Although it proved not yet possible to secure detailed statistical data on employment, wages, and other indices for the postwar period, this investigation helped to confirm the existence of certain trends previously observed and to open up, in a few instances, new vistas of a vigorous pursuit of progress, either on the part of a government or on that of organized labor.

467 727 On the whole, the period was found to be one of great uneasiness. There was throughout the region a sense of insecurity because of the distorted structure of its major export industries. There was a sense of insecurity also in circles which, unable to accept the radical change in political and economic power that had come over large parts of the world, feared any movement which might tend to increase the political orientation of organized labor. On the other hand, there was also the natural hesitation of those seriously devoted to the promotion of progressive and liberalizing labor legislation to promote or enact measures which, with the present disturbance of social relations, it might prove difficult to enforce. Organized labor itself reflected the cleavage, to be found at this time also in industrially more advanced parts of the world, between a leadership satisfied to do the best it could within the technical limits of traditional trade union practices and one primarily thinking in political terms and desiring the most rapid possible assimilation of the local labor forces to the revolutionary international labor movement.

121 Only a few illustrations can here be given of these various tendencies as the author observed them or heard of them from authoritative spokesmen for government, labor, and professional management. These notes are offered as carrying a little further into the uncertain future the picture presented in the major part of this book. They sketch a passing phase in one of the most dramatic developments of our time: the effort of an important section of the world's workers to raise their status from an age-old level of oppression and neglect to one of worthwhile human existence.

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an age-old level of oppression and neglect to one of worthwhile human existence. 000

BURMA

Since October 1946, when the general strike was organized jointly by the All-Burma Trade Union Congress and the Trade Union Congress of Burma (see p. 58), the main feature in Burma's labor picture has been the struggle between the Socialists and the Communists for the control of organized labor. This trial of strength was precipitated by political events: first, the split in the Communist Party between the groups led by Thakin Than Tun and by Thakin Soe, and second, the ousting of Communists from the Anti-Fascist People's Freedom League (p. 54 *ff.*). The rift in Communist ranks was deepened by the death of their foremost labor organizer, Ba Hein, in January 1947, which seriously weakened the All-Burma Trade Union Congress. At the same time, the Socialist trade unions under the Trade Union Congress of Burma, with active support from the Anti-Fascist League, forged ahead and in the spring of 1947 were regarded as of about equal strength with the Communist-sponsored unions which had got off to an earlier start. 467 668

Since Thakin Soe's party was declared illegal and went underground, it has become impossible to obtain reliable data about the unions still under its auspices. Thakin Than Tun, for his part, proved to be interested in the unionization of labor primarily for political purposes, and unwilling to express himself about it except for its part in the Communist Party's general struggle. He hoped eventually to organize a single trade union organization in Burma and to reunite it with the Anti-Fascist League.

This league, indeed, is likely to become the leading force in Burma's organized labor. It exercises some control over the Trade Union Congress of Burma and also won an overwhelming victory in the elections of April 9, 1947. The Congress at that time included 157 unions with about 30,000 members, about two-thirds of them employed in factories and in the provinces. Previously, organization had been by individual factories, but in 1947 the Congress adopted the policy of re-organizing the union structure by trades. General congresses are called once in eighteen months, and are attended by delegates in the ratio of one for every hundred members. These delegates form a central committee which elects a permanent executive body for the inter-congress periods.

The Socialist Party has affiliated with it a separate Peasants' Organization, composed of some four hundred thousand "tested" members and a fringe of six hundred thousand or more "sympathizers." Its form of organization is similar to that of the Trade Union Congress. Socialist labor leaders take pride in the democratic procedures followed by both

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467 [668] the labor and peasant organizations and contrast them with the domination of the Communist unions by their political leaders. Yet, the Socialist politicians admitted that the political objectives of the Trade Union Congress were no different from those of the Anti-Fascist League, and that in the last analysis it was the AFL which decided the policy of the Congress.

Apart from the political objectives, it is interesting to note that the improvement of working and living conditions has for the time being been subordinated to a program designed to raise the educational level of Burma's laborers. Classes in reading and writing are held in almost every factory; but attendance suffers from the fact that they cannot meet during working hours and that there is no remuneration for the time spent in learning.

Among the more orthodox trade-union functions, negotiation for improvements in working conditions takes first place. The Congress prefers the organization of a permanent committee for the compulsory arbitration of disputes to the system at present in vogue, under which conciliation committees are set up in each specific dispute. It also would like to see the provisions of the Factory Act (p. 45 *ff.*) applied more widely and more strictly throughout the country. Furthermore, it favors—under present conditions—a minimum wage of Rs. 35 per month for unskilled labor. This seems a remarkably modest demand when one considers that in April 1947 the prevailing monthly wage for that category of labor in Rangoon was from Rs. 70 to Rs. 80 (including cost-of-living allowance —see p. 60), and that the cost-of-living index was then 315, taking 1941 as the base year. However, as far as could be ascertained, Burma's Socialist leaders had not, in the spring of 1947, drafted legislation to embody these various desires, although Parliament after the April elections was going to be dominated by the Anti-Fascist League.

468 [648] 467 It is worth noting, too, that since the signing of the London Agreement, of January 29, 1947,[1] that League has brought its labor policy more into line with that of the British Labor Government. Mr. A. C. Baker, the Trade Union Adviser appointed for Burma by that government, like his colleague in Malaya, has attempted to divorce labor legislation from politics and to organize a full-fledged department of labor. The Anti-Fascist League, which had been using the strike weapon for political purposes, had learned that such methods can backfire and had become convinced that they could be dispensed with. Strikes promoted as part of a general anti-British demonstration had stimulated demands for higher wages on the part of the laborers, and these demands now proved a serious drain on Burma's exchequer; not only this, but the wage-earners had awakened

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[1] See Clarence Hendershot, "Burma Compromise," *Far Eastern Survey*, XVI, 12, June 18, 1947, pp. 133-138.

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to a realization of their strength through threats of violence and had become difficult to control. Moreover, the Anti-Fascist League had come to see eye to eye with the governments of Burma and India in the matter of race discriminations and now desired to organize labor without regard to ethnic divisions, since this would mean the continued domination of the existing unions by Burmans—both as regards numbers and leadership. There are only about five thousand Indians (and five hundred Chinese) in the Trade Union Congress of Burma; and these, mindful of the anti-Indian riots of the 1930's (p. 20), are afraid to oppose Burmese leadership.

Some of the measures advocated by the British Trade Union Advisers had not yet, in the spring of 1947, won the complete support of the politically preoccupied Anti-Fascist League. Mr. Baker had suggested efforts to decasualize the dock labor of Rangoon, to install a more effective labor inspectorate, and to round out Burma's piecemeal labor laws. He took the view that the problem of unemployment could be tackled more effectively. While all of Burma's leaders agreed on the need for a large program of economic reconstruction, thousands of laborers were involuntarily idle; and the imminent withdrawal of the British Army threatened to throw thousands more out of work. Apart from the Army's provision to keep "coolie" gangs on tap, there was only one labor exchange; and there was an obvious need for more. These and other proposals of a technical character in the field of labor had won a fair measure of AFL approval; but in 1947 the energies of the league's leaders still were so taken up with political questions that the will to carry out these measures was largely lacking.

Given the basic agreement then prevailing between the British authorities and the AFL on labor policy, there was good reason to expect that trade unionism of the occidental type might develop rapidly in Burma. Yet it appeared probable that the AFL—if it should run into trouble either with these authorities or with rival factions in Burma—would again resort to the use of organized labor for political purposes. At any rate, its ever tightening control over the growing Socialist unions appeared to increase the temptation to do so.

MALAYA [2]

M 467 468

Labor difficulties continued, in the spring of 1947, to be one of Malaya's main problems. There were indications that the British Government was preparing for a trial of strength with the organized forces of immigrant labor, chiefly Chinese and Indian. Its declared policy even before the

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[2] The substance of this section has appeared as an article in the *Christian Science Monitor* for April 24, 1947.

467 war had been to foster the growth of trade unionism in the Western sense
of that term, but to divorce it from politics (p. 115). To this end, the
468 Labor Government in 1945 sent trade union advisers from England and
helped to revive laws requiring the registration of unions and the establishment of an industrial court. As has already been shown, these moves
were made against a background of strikes, both in Singapore and on
the peninsula, and after independent unions had been set up by Chinese
and Indian labor leaders. The demands made by union members in the
post-war strikes had provoked charges in employer and government circles
that the Malayan Communist Party had been molding and utilizing the
labor movement for its own purposes.

[674] Since the end of the war there also had been a considerable increase
in lawlessness which not surprisingly was attributed by some to trade
[668] union activity. Whether this was the case or not, British apprehension
grew that behind the strikes there was an organized onslaught against
the established government, and that not only the country's industrial
468 production but also its inner peace and order were threatened. With
the new orientation in the Colonial Office, the government naturally was
opposed to compulsory arbitration, but it set up tripartite arbitration
boards to deal with particular disputes. Subsequently it also established
labor advisory councils to assist the administration in arriving at policy
decisions and to help in bridging the gap between employers and wage-earners. Unfortunately, as already noted (p. 115), the hostility between
government and organized labor increased in spite of such measures as
these, and during the early months of 1947 the government arrested many
trade union and youth organization leaders as well as striking workers.

466 Little effective action had been taken to meet the economic grievances
5,11 of the workers which occasionally expressed themselves in unlawful behavior. These grievances stemmed in the main from the inflated living
costs, and especially from the shortage of rice. Some employers used the
situation to resist demands for increased money wages, saying that a more
generous rice allowance was a more effective inducement to workers. A
laborer who depended on the government ration at that time was obliged
either to buy three-fourths of his rice requirements at "black market"
prices or to subsist at a standard of nutrition lower than that current
before the war.

464 Mention has been made of the shortage of labor throughout Malaya
[467] since the Japanese surrender (p. 109). This circumstance helps to explain the force with which organized labor was able to press it claims.
The unions were in a far more favored position than ever before. They
were supported, too, by the attitude of the Government of India which
was even less inclined than in the years immediately preceding the war
to permit its nationals to emigrate to Malaya without guarantees of better
treatment and improved political status. Some of the new and sharpened

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Indian conditions the Malayan Government and employers felt unable or were unwilling to meet. At the same time, the local sultans continued to oppose strongly a resumption of large-scale Chinese immigration. Hence, the Javanese remained the only acceptable immigrant labor group; but a large transfer of Javanese migrants was not immediately practicable either, mainly because no clear labor policy could emerge pending the settlement of the Dutch-Indonesian conflict, and also because the actual facilities for large-scale labor migration were not available. Thus, during the period of economic rehabilitation, when Malaya required larger labor forces than in normal times, there was a painful shortage, and the organized workers remained in a favorable position. M 464

The government had become well aware of the new power of labor and of the political uses to which this might be put. In the spring of 1947, the circumstances foreshadowed something more than a passing situation. Some officials viewed with alarm, for example, the acceptance—perhaps not altogether voluntary—of Chinese leadership by unions composed of Indian workers, a conspicuous sign that the former sharp division between the Chinese and the Indian communities—so advantageous to the large employers—was breaking down. Another source of trouble looming ahead was the danger that the arrival of more labor immigrants from Java and Sumatra might infect the native Malay population with their own recalcitrance to colonial rule. Already the Malays were watching events in Indonesia with avid interest. M 467 563

INDONESIA [3]

To understand recent developments of the labor situation in Indonesia, it is important to remember that in the early part of 1947 no settlement had yet been reached of issues between the Indonesian and the Netherlands Governments—precisely in the field of economic relations. Moreover, the Republican Government itself had started its career with a multiplicity of parties, reflecting not only diverging political ideologies but also to no small extent differences in material interests. For example, the left-wing group, Sajap-Kiri, included the Communist (PKI) and Socialist parties; and the membership of these parties still was fluctuating considerably, with a general tendency toward the growth of the Communist ranks. The Barisan Boeroeh Indonesia (BBI, see p. 165), formerly the political party of the labor movement and a supporter of left-wing politics, was dissolved in December 1946. Its membership was absorbed into the central labor organization, SOBSIE, which eschews all political activity. The Partai Nasional Indonesia (PNI), with a member- I 665 467

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[3] Some of the material used in this section has also appeared in articles in the *Christian Science Monitor* for February 27, April 19, and April 23, 1947.

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Chinese

665 [467] ship of about half a million in Java, 100,000 in Sumatra, and 80,000 in Celebes, fills the role of the major opposition party and represents the intellectual middle class. Led mainly by lawyers, this party represents no clear-cut economic interest but is regarded as mildly socialistic. Its main emphasis is on national unity and a jealous regard for sovereignty. Outlawed by the Netherlands authorities and with a reduced number of delegates to the national convention, this party had lost in influence by the spring of 1947.

[186] [779] Similarly on the surface somewhat remote from economic conflict is Masjoemi, a loosely organized Japanese-created federation of Islamic groups which claims a membership of fifteen million in Java alone, with another two and a half million in Sumatra. The uniting bond here is a religious and social antagonism to Western civilization. To the extent that it reflects the desires of millions of tradition-minded peasants, this group, too, though hardly a political party, may be said to represent a distinctive set of material interests. But already this young and unwieldy organization (it became organized as a party only in September 1945) with its diversified membership is cleft by inner discord. A left wing, Mohammedijah, which interprets socialism and internationalism as in conformity with the teaching of Islam, is in head-on collision with a right wing, Nahdatoeloelana, which consists of the older and more conservative elements and tends to become more reactionary.

665 563 Distinct ethnic groups also have come to organize politically to protect their special interests. Both in Netherlands-held territory and in the Republic, Eurasians are organized in pro-Republican parties: the Democratic Party and Indonesia Merdeka respectively. The Chinese, always strongly organized, have formed themselves into a number of unfederated groups called Chung Hwa Tsung Hui, one of the principal objects of which is the furtherance of Chinese economic interests in connection with Indonesia's reconstruction. In March 1947, the Republican Government assigned a minister without portfolio, Dr. Tan Po Goan, to the difficult task of promoting the integration into the Republic of the whole Chinese population which as yet was standing somewhat aloof. Passing reference should be made also to the numerous women's and youth organizations which, even though federated in the Congress Kowanita Indonesia and the Federation of Indonesian Youth Associations, can hardly be counted yet as effective instruments of national representation.

668 883 It is true, nevertheless, that in the Indonesian Republic the accent is strongly on youth. A story was circulating early in 1947 at Jogjakarta to the effect that the Republican Government had issued an order requiring all government officials under fourteen years of age to resign their jobs and go back to school. Indonesia's outstanding political leaders had been youth leaders before the revolution; and many of the youth had been deeply concerned with causes which have since entered

into the programs of organized labor: economic co-operation, combat of 668 illiteracy, social welfare, as well as the struggle for national expression in 883 art, literature, and education. During the Japanese occupation, efforts to replace these organizations with others more receptive to the doctrines favored by the conquerors produced a corresponding sharpening of patriotic objectives and the formation of many clandestine youth organizations which, some of them trained and equipped with arms for resistance to the Dutch, have become important in the Republic's early struggle for survival. The subsequent development and diversification of the Indonesian youth movement must be told elsewhere; here it is pertinent to state, however, that even the more "moderate" youth organizations are, generally speaking, socialistic and democratic in their thinking—equally opposed to the formation of a bourgeois or of a Communist state.

In a revolutionary experience, such as that through which Indonesia 467 has passed in recent years, political, cultural and economic movements form an amalgam which does not bear too minute a classification of objects and motives. With the rise of political parties and a wide fringe of organizations which, though politically active, do not deserve the name of party, there also took place a spontaneous mushroom growth of the labor movement. In the first eighteen months of Indonesia as a republic, the number of trade unionists in Java and Sumatra swelled from a few hundred thousand (it had been less than 150,000 in 1941) to three and a half million. Organized labor in the spring of 1947 encompassed twenty-six major fields of economic enterprise, including the oil fields and refineries and the rubber, tea, and sugar plantations.

> "When a political agreement finally is reached and Europeans return to their estates and industries, they will find that the days of Asiatic coolie labor have disappeared."

With these words, Harjono Hardjokoesoemi, a leader of the Indonesian labor movement, indicated the central fact in reply to questions put to him by the author.

> "We demand the same working conditions for Indonesians which exist in other countries—for example, a forty-hour, six-day working week. We will not permit children under fifteen years of age to work outside their parents' homes and farms. Night work for women will not be permitted. Wage rates cannot be settled until currency and food prices have been stabilized; but we certainly shall insist that the laborers are not exploited."

These demands, far-reaching though they may be, appear practical 467 and realistic when it is remembered that, since the early 1920's, the movement 668 has for the most part been under Communist control until it was broken up by the Netherlands Indies Government in 1930, when it sent

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467 a thousand Communists into exile to the Digeol Internment Camp in New Guinea. There had remained, it is true, some forty unfederated
668 unions, but these were almost all made up of government employees and at that time had a combined membership of only thirty thousand.

In its present reincarnation, the Indonesian labor movement has been greatly influenced by European and Australian examples. It may be dated from August 17, 1945, when Ir. Soekarno proclaimed the republic—with constitutional provisions favoring the organization of genuinely autonomous trade unions. In the autumn of 1946, the two branches of the movement—comparable with the AFL and CIO in the United States—combined into one central organization, called SOBSIE. Like the Republican Government which encourages it, this federation is orientated toward socialism and under strong Western influence. Communist influence appeared to be small in the spring of 1947, although Communists were known to have infiltrated, particularly into the unions of petroleum workers. The closed-shop question had not yet arisen.

INDOCHINA [4]

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467 The effect of the war and of the Japanese occupation on the labor situation in Indochina resembled more that in Malaya than that in Indonesia. On the one hand, the influence of the great European enterprises still was dominant; on the other, the trade union movement had tended to assume a more political coloration and, indeed, had to some extent been organized for political purposes through the medium of strikes. The President of the Democratic Republic of Viet-Nam, Ho Chi Minh, is credited (or charged) with having called into being nominal trade unions which actually are little more than instruments of political action. He formed a central organization which he called Confédération Générale de Travail (CGT) after the French prototype and for the purpose of international
Ich affiliation.

467 It has been said that "l'Annamite est un monsieur qui adore les asso-
166 ciations—plus elles sont secrètes, plus il les aime"; but it does not follow that the wide network of unions that has sprung into being with the Republic's encouragement is so organized that it can effectively serve the social welfare in general and the improvement of working conditions in particular. The sudden transplantation by the government of large numbers of laborers from the Tonkin delta area to malaria-infested inland areas in need of development is cited as the sort of measure which was neither well planned nor carried out by means of a democratic procedure,

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[4] This section is based to a large extent on an interview with M. Guiriec, Directeur de l'Action Sociale et du Travail, Saigon, on May 28, 1947. M. Guiriec has spent many years in Tonkin as an Inspector of Labor, and has been charged with the drafting of a trade-union law for the whole of French Indochina.

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and which can hardly be expected to be successful in its social results. However, unofficial movements affecting population transfers during and since the Japanese occupation were not adequately planned, either. Thus, while about one-half of the prewar labor forces of the plantations are still in residence, the other half has simply melted away and is believed to have drifted back to Tonkin. An exception is the Rach-gia colonization scheme (p. 170) which continued throughout the war and has considerably expanded. 467 166

As in Malaya, so in Indochina one of the returning colonial government's chief concerns has been the procurement of an adequate labor supply for the large European enterprises. Although rumors circulated to the effect that the Governments of India and China had been approached with a view to new facilities for the importation of contract labor have proved inaccurate, such inquiries in India had been made by an Indian firm in Saigon; and the Cochin-Chinese authorities had, without committing themselves, asked for information about the reliability of the firm in question. Chinese migrants continued to stream into the peninsula by the thousands, but the total number of these newcomers was insignificant compared with the labor requirements of the large corporations. Moreover, most of the Chinese, even when willing to work for wages, are embryo merchants who hope gradually to establish themselves in business and perhaps to become big merchants and capitalists in years to come. When they do find employment, it is for the most part with Chinese firms in Cholon, Haiphong, and Hanoi. Hardly any of them become rubber tappers or miners. 464 167

Programs of economic development promulgated by Vietnamese authorities say little or are vague about the use of resettlement as a means of providing labor resources for large-scale enterprise. But in the spring of 1947 it was considered probable that the systematic migration of Tonkinese laborers to the less populated parts of Indochina would be resumed, as a matter of policy, when conditions became more stable. Such resettlement would be bound up with the transformation of Indochina's colonial economy into a national economy. In the past, the industries, under the influence of colonial trade, have been concentrated, for the most part, along the coast of Tonkin, except for such processing industries as rice and lumber milling which can best be carried on nearer the sources of supply. Industrialization is an accepted end of Vietnamese economic policy; and connected with it is the declared purpose of intensifying and mechanizing many of the small crafts and industries diffused over the country and of creating more schools for the training of technicians and skilled workers. It is recognized in Vietnamese circles that the Annamese trained in the technical schools of prewar Indochina have proved valuable carriers of economic progress. 185

The total effect of the Japanese occupation upon the distribution and 000

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The total effect of the Japanese occupation upon the distribution
and condition of labor does not appear to have been as great as might have
464 been supposed. At first, the wages paid by the conquerors were higher
727 than those previously current; but toward the end of the occupation they
[465] were lower. There was no general movement from the rural areas to the
towns, as took place in Siam—probably because of the Annamite's conservatism and attachment to his native village. Nor do the Japanese seem to have found themselves as much in need of large labor forces. For example, there was only one ship-building yard on the south coast of the peninsula; only a very few men were trained ther.. It cannot be said that the Japanese did anything to increase the indigenous supply of skilled labor in Indochina.

467 In the field of organized labor, the most interesting development early
185 in 1947 was the initiative taken by Emile Bollaërt, the High Commis-
sioner for Indochina, in the preparation of legislation to encourage the formation of trade unions. The Director of Social Action and Labor, in drafting this legislation, took his inspiration from minimum standards for dependent territories set up at International Labor Conferences in which, in fact, French representatives of government, management, and labor had fully collaborated. On some matters, the labor laws current in the metropolis also served as models, as did those on the statute books of neighboring colonial countries. The projected legislation will necessarily be on rather general lines, leaving more detailed measures of enforcement to the separate states of the Indochinese Federation. That there will be some differences in the speed and thoroughness with which the general provisions of the federal law will be administered is probable because of the considerable variations in the industrial development of the several parts of Indochina. For example, if the Moi were to be drawn more fully into industrial life, it would probably not be practicable to subject them to exactly the same rules as the industrially more experienced Annamite workers.

At the same time, French official opinion was opposed to the formation of separate trade unions for members of different national groups. When this question was first studied, in 1937, the opposite decision had been reached; its reversal corresponds to a general trend in Southeast Asia. Likewise in keeping with the prevailing tendency in colonial labor legislation is the provision that unions must be devoted solely to the improvement of working and living conditions, and making it illegal for them to pursue political aims. It should be added, however, that the drafters of this legislation are not very sanguine that such legislation, going contrary to the trend of trade unionism the world over, will be easy to enforce. As a matter of fact, although few in number, French workers resident in Indochina are determined to preserve for their own unions the character taken over from their parent bodies in France.

000 A slight but not negligible influence on Indochina of French labor

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A slight but not negligible influence on Indochina of French labor opinion is expected also from a new land settlement scheme for French soldiers of General Leclerc's Second Division established in South Annam. These veterans have been offered free land, a certain amount of equipment, and other privileges, provided they undertake to engage in agriculture. In the spring of 1947, about one hundred and fifty of them had taken up land and, although as yet living in a military type of barracks, were engaged in growing coffee, cocoa, and rubber—doing all the labor themselves. I 425 166

SIAM

The efforts of Siamese labor since the withdrawal of the Japanese to organize in modern trade unions (see above, p. 248) appeared well advanced when the author visited Siam in May 1947. But there seemed not as yet to have occurred a corresponding progress in the legislative field. Local labor leaders continued to rely upon the fitful patronage of individual politicians and to eschew the organization of labor as a political force. The Siamese Government had not as yet made any strong effort to improve working conditions even in the capital, although as a step in that direction responsibility for the enforcement of existing labor regulations had, in November 1946, been transferred to the Ministry of Industry which also was charged with the labor survey previously mentioned (p. 237). T 467 [466]

With the hesitant attitude of both government and labor leaders, no serious attempt had been made to erase from the statute book the long-standing prohibition against the formation of labor associations for other than benevolent purposes. Nor had any of the three major political parties openly championed the cause of organized labor or done anything appreciable to advance it. For reasons already indicated, particularly the sharp cleavage between indigenous and Chinese workers (p. 242), Siamese labor had not been able as yet to formulate a joint program, to stand solidly together behind specific demands for improvements in working and living conditions, or to ally itself with kindred movements in other countries. However, a trend toward greater cohesion was under way.

In January 1947, a central labor union, the Saha Asheewah Kamakorn Hang Thai, was officially registered. In May it comprised 51 unions. Its relatively small revenue was derived in part from membership dues (one-fourth of the dues collected by the individual unions, ranging from 50 satangs to 5 baht) and in part from voluntary contributions of workers and "kind-hearted capitalists." The leaders claimed not to know the numerical strength of the organization, and their estimates ranged from 12,000 to 100,000. As other efforts in the past, the organization depended for its strength largely on the public employees and industrial workers of

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467 Bangkok. Indeed, it rested on the skeleton framework of unions which existed before the war and continued to expand chiefly among the skilled workers of the capital. In the rural areas, where a branch was reported for each province, the structure utilized was that of the wartime resistance movement, and little effective effort had as yet been made to strengthen or enlarge this organization. However, leaders of the central union were making their services readily accessible to laborers in various parts of the country seeking their advice on methods of organization. Moreover, a string of reading and meeting rooms had been provided all over Bangkok, where workers might come for discussion of their problems or for recreation.

Only about two out of every five of the central union's total membership, and only a small proportion of its leadership, were Chinese, even though numerically these still dominated the labor field in Bangkok. Leaders of the central union asserted that they knew of the existence of no unions of Chinese workers other than those affiliated with their own organization. If they exist, they probably should be considered part of the labyrinth of Chinese guilds and secret societies that cover almost every part of Southeast Asia, and not, strictly speaking, labor organizations. There was evidence, too, that the labor leaders of Siam were determined to eliminate from their central union any Chinese who showed a marked interest in the politics of their mother country, and to check the possible growth of a labor movement along "racial" lines.

This desire to avoid political complications stems from the central union's unhealthy domination by, or fear of, the Siamese Government. [468] Although the Government had not as yet done anything helpful for the cause of labor (nor had the opposition party), the officers of the central union seemed afraid, in mid-1947, that it might move to crush their incipient organization. Mainly for this reason, the central union had failed to support openly, in January 1947, the demonstration made by civil servants against the current scale of salaries, and against the disciplinary measures subsequently taken by the Government against those who had registered their protest. Nor had the central union as yet drafted any legislative program concerning minimum wages, maximum work days, or other improvements in living and working conditions, although the translation of such a program into bills supported by one party or other might well have been demanded as the price for organized labor's support at the polls.

With the shortage of qualified labor after the war (p. 242), the quasi-passive attitude of organized labor in Siam cannot be wholly attributed to widespread unemployment; nor on the other hand have labor conditions improved so much as to eliminate serious evils in any part of the country. The fact that foreigners form a majority of the urban working forces is not a sufficient explanation, either. Rather, it appears to the

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observer that the labor movement, such as it is, may have been brought into being and may be kept under control by one of the major parties now supporting the Government as a means of preventing the growth of a more militant labor movement—a movement composed of unions conscious of their political power and liable to come under the domination of radical or foreign elements. 467

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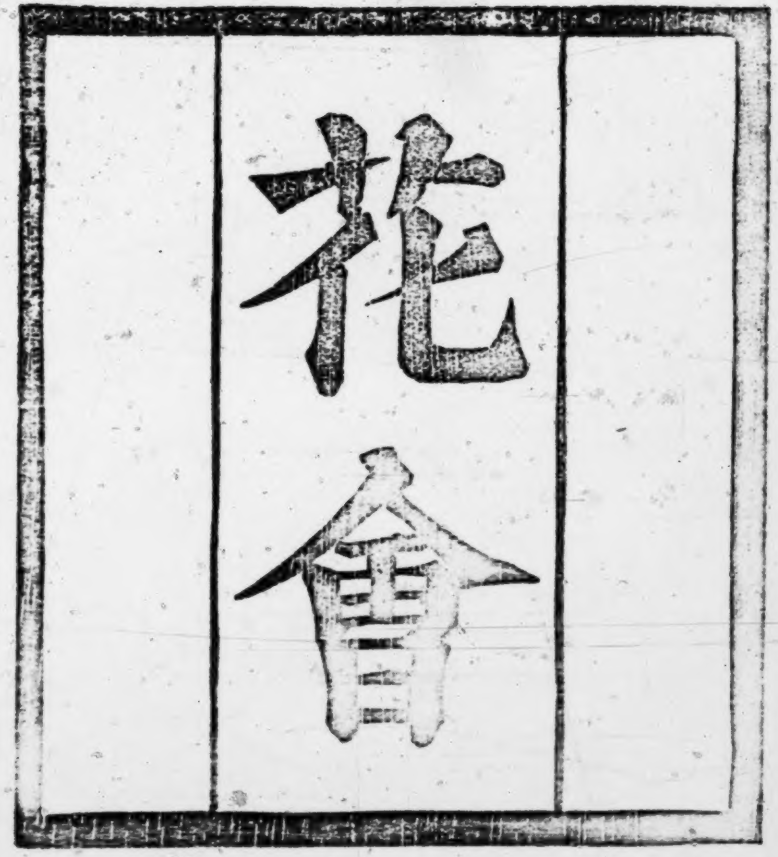

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11: Kynnersley U-3 (no date) 1885 ALl Southeast Asia ALl
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A
DESCRIPTION OF THE CHINESE LOTTERY
KNOWN AS
HUA-HOEY.

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HUA-HOEY* or the thirty-six Animals Lottery is so extensively played in the Straits Settlements, Burma, Siam and wherever the Chinese settle, that some description of its origin and of the way in which it is carried on here may prove not altogether uninteresting.

From a small book "On the Interpretation of Dreams with Illustrations of Hua Hoey" we learn that the game was invented in the time of the second Han dynasty. In this book there is a short sketch of the lives of the thirty-six mythical personages (who had previously existed as animals) and directions are given as to staking. The order in which the characters are described is different from that employed in the staking papers of which a specimen is given below.

King Thai Peng, being the most celebrated character, is placed first instead of being No. 26.

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* *Lit.* Play Society.

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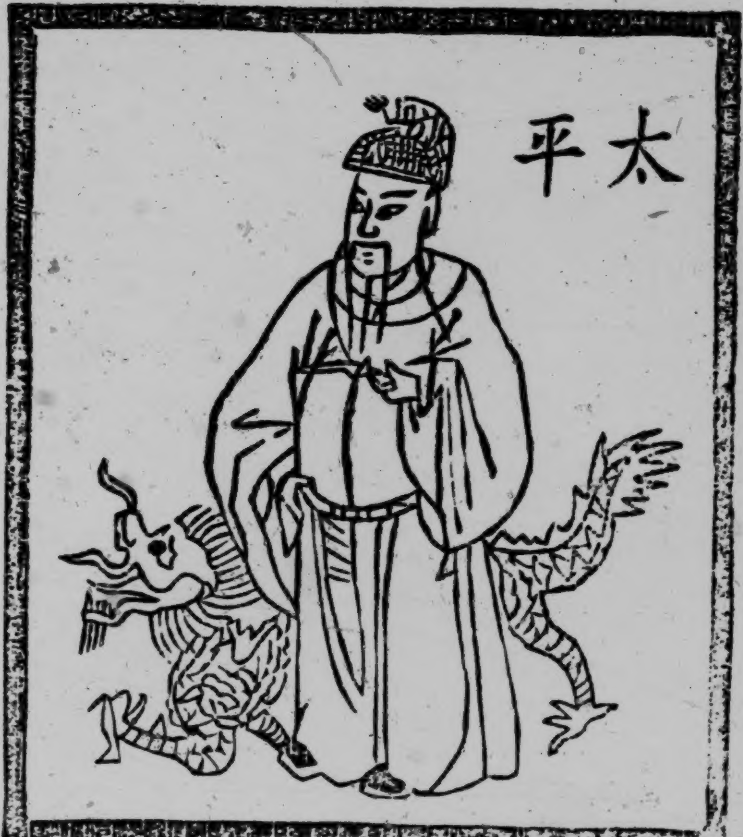

1.—*Thai Peng* was, in a former state of existence, a dragon. He served in the Chow Kingdom under King Hooi Lian till it was conquered by the Chinese, when he escaped, and having raised an army under Generals Kun San (No. 9) and Chi Koh (No. 11), he proclaimed himself King, but he afterwards led such a dissolute life that Kun San put an end to his existence. Kun Giok (No. 22) was his sister.

Thai Peng was born again as Guan Kui. Stake on Thai Peng, Guan Kui, Kong Beng and the 5 dragons when you dream of the coronation of a sovereign, cash, or an execution.

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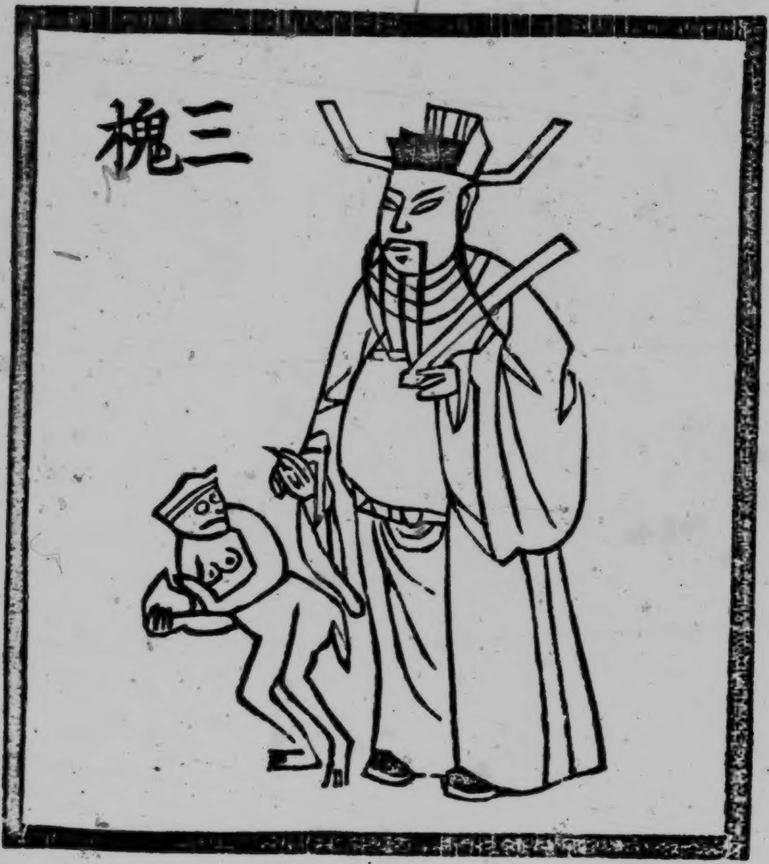
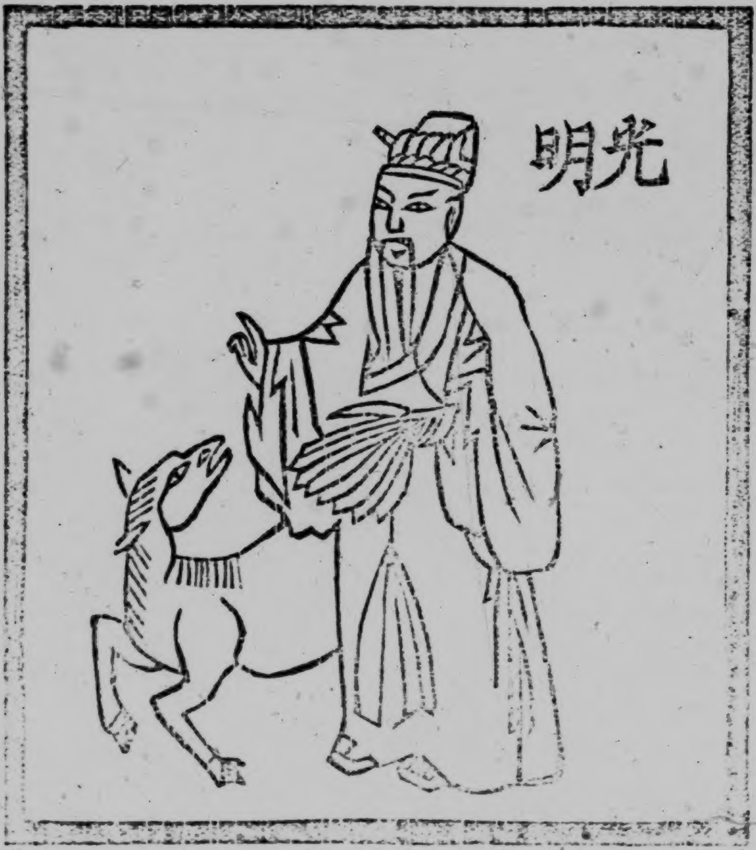


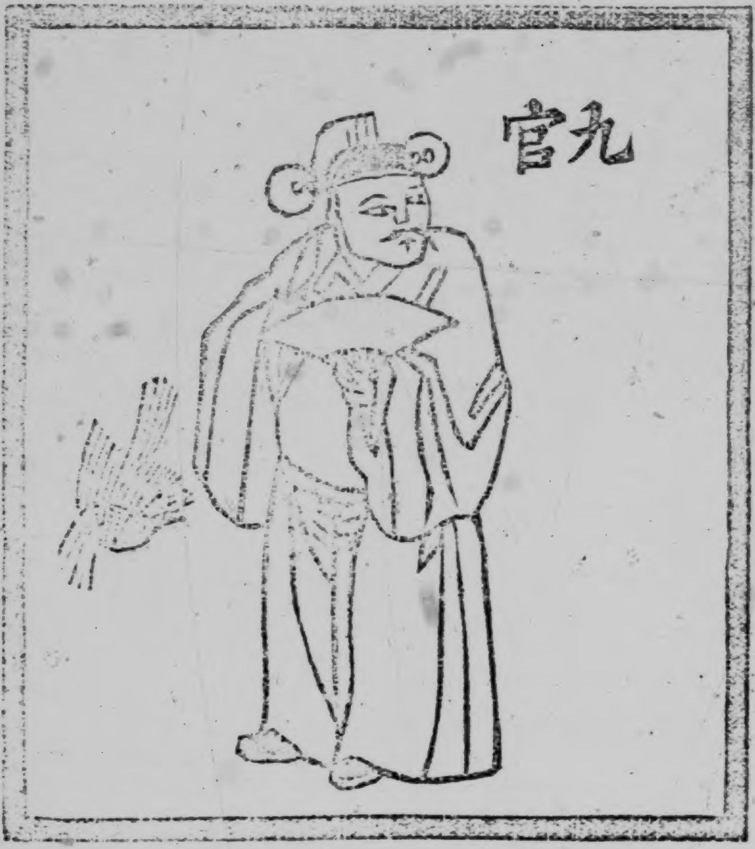
2.—*Sam Wei* was formerly a monkey. He served Thai Peng as Prime Minister and became very wealthy. He had three sons Hap Hai (No. 7) Guan Kiat (No. 19) and Ban Kim (No. 32.)

Sam Wei was born again as Cheng Li. Stake on Sam Wei, Guan Kui and Cham Khoi when you dream of a wicked man, a man hanging himself, three ghosts, three stars, woods, or a performing monkey.



3.—*Kong Beng* was formerly a horse. He became a priest and was employed by Thai-Peng as a political adviser, being gifted with supernatural powers. He was slain in battle with the Chinese.

Kong Beng was born again as Hong Chun. Stake on Kong Beng, Thai Peng, Hong Chun, Siang Chiow and Hoey Kwan when you dream of bright objects such as flames, brilliant pearls, lamps, or sunshine.



4.—*Kiu Kwan* was a hawk. He became a Mandarin and was very rich and married a princess of the Han dynasty. He had a younger brother named Hoey Kwan (No. 28.)

Kiu Kwan was born again as Kiat Pin. Stake on Kiu Kwan, Hoey Kwan, Kiat Pin and Cheng Sun when you dream of drinking samsu, riding, sleeping, sitting at leisure, water up to the shoulder, a dog biting a man or a coffin with a dead body.

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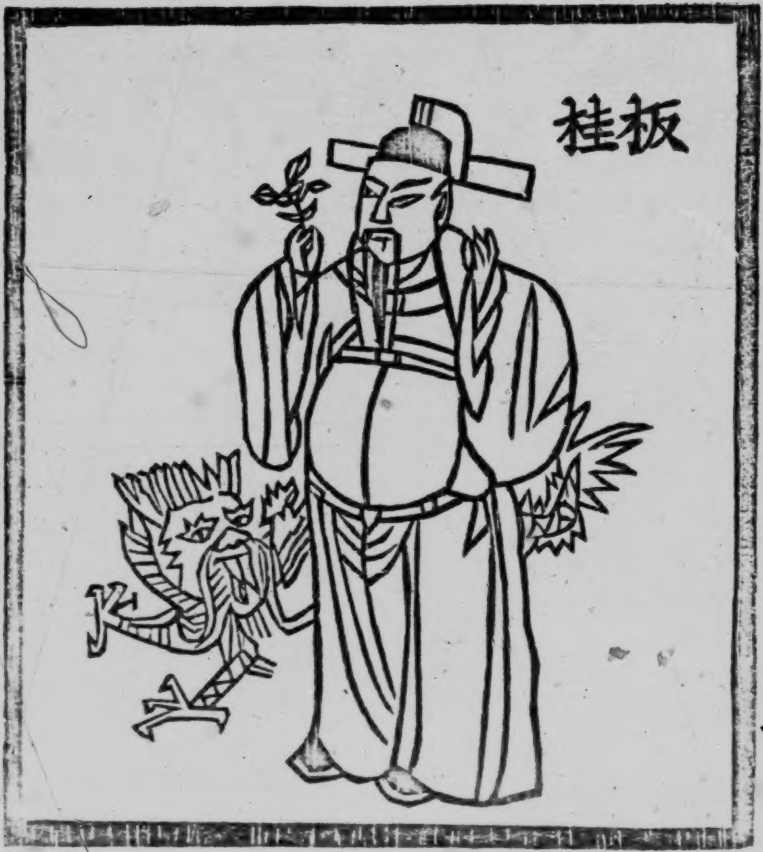
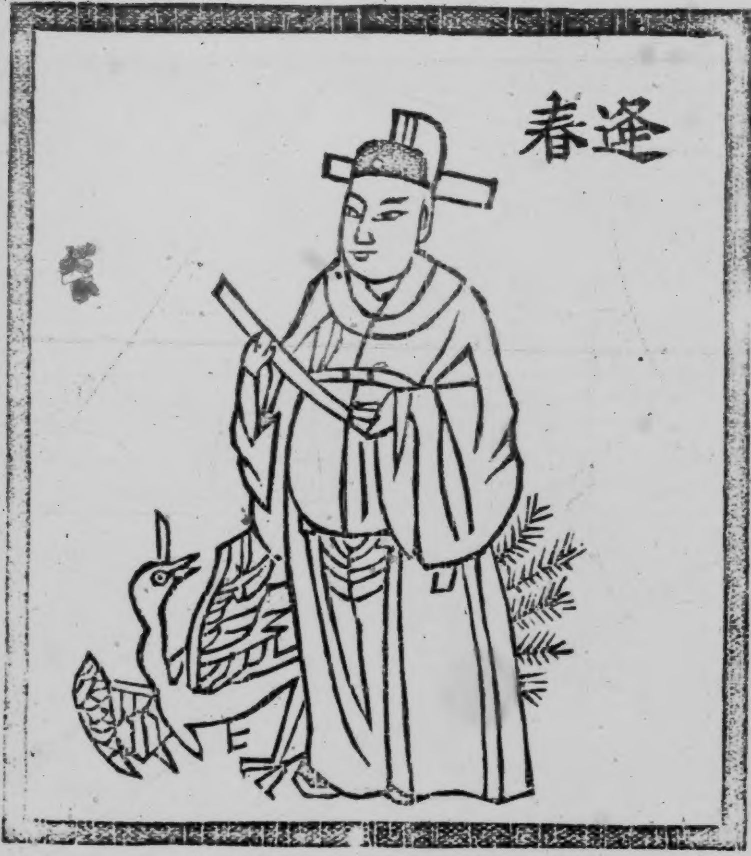


5.—*Pan Kwi* was formerly a dragon. He took a high literary and military degree and was slain by the Chinese.

Pan Kwi was born again as Mow Lim. Stake on Pan Kwi, Guan Kwi, Mow Lim and the five dragons when you dream of picking flowers, a young man, witnessing a theatrical performance, climbing trees, or adopting a child.

Pan Kwi is usually called "The Shell."



6.—*Hong Chun* was once a peacock and was the brother of Eng Seng (No. 7). He took the first literary degree. His whole family were massacred by the Chinese. He married Siang Chiow (No. 23).

Hong Chun was born again as Kong Beng. Stake on Hong Chun, Kong Beng, Han Hun and Ban Kim when you dream of a flower, a man ploughing, a bambu shoot, geese or ducks, a marriage ceremony, a girl worshipping idols, or a buffalo.

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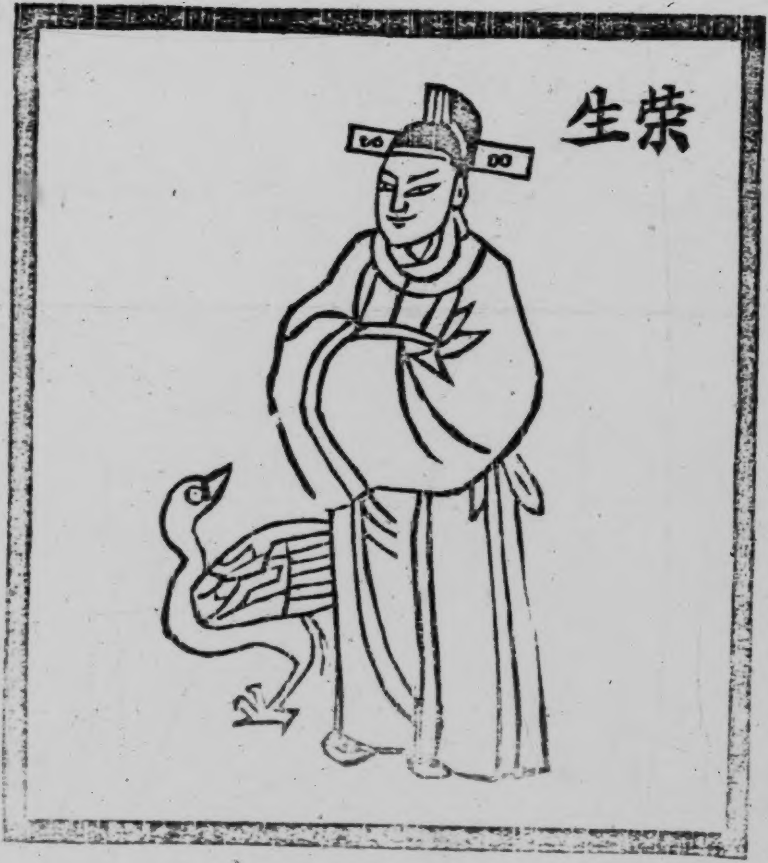

7.—*Eng Seng* was originally a goose. His mother was Kun Giok (No. 22). He took the same honours as his brother (No. 6).

Eng Seng was born again as Ban Kim. Stake on Eng Seng, Ban Kim and Hong Chun when you dream of drinking tea, killing poultry, an examination, selling spirits, a flea, a pen, a pair of candles, a water-lily, or giving an animal its life.

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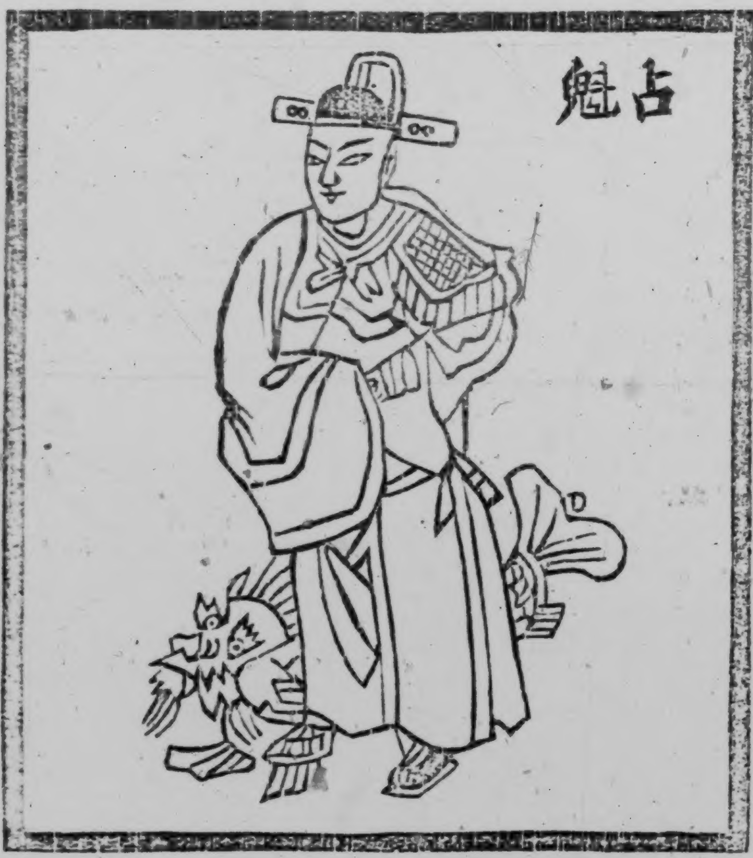

8.—*Cham Khoi* was a white fish. He took the first military and literary degree and became judge of three provinces. He and his whole family, more than 300 in number, were slain by the Chinese.

Cham Khoi [illegible] born again as Chi Koh. Stake on Cham Khoi, Sam Wei, Chi Koh and Hong Chun when you dream of a white fish, a buffalo, a gantang of white rice, or 36 pigs.

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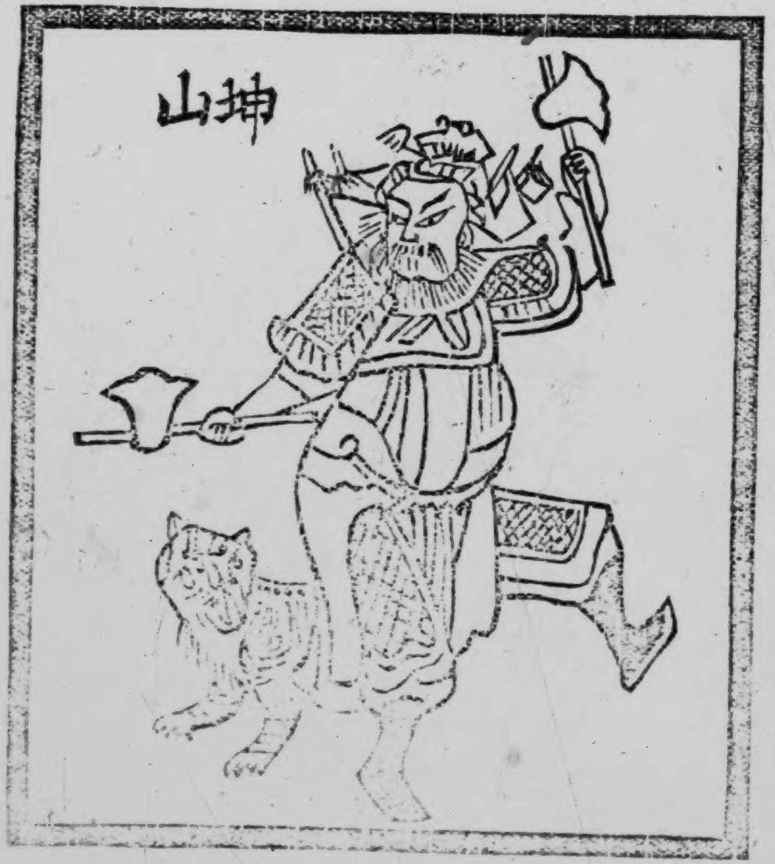

9.—*Kun San* was originally a tiger. An intimate friend of Chi Koh (No. 11) he became so powerful as the chief of a band of robbers that the Imperial troops dared not attack him. He was afterwards one of Thai Peng's Generals.

Kun San was born again as Cheng Hun. Stake on Kun San, Cheng Hun, Jit San and Hok Sun when you dream of fighting or robbery, the sun rising, a yellow object, or a hill on fire.

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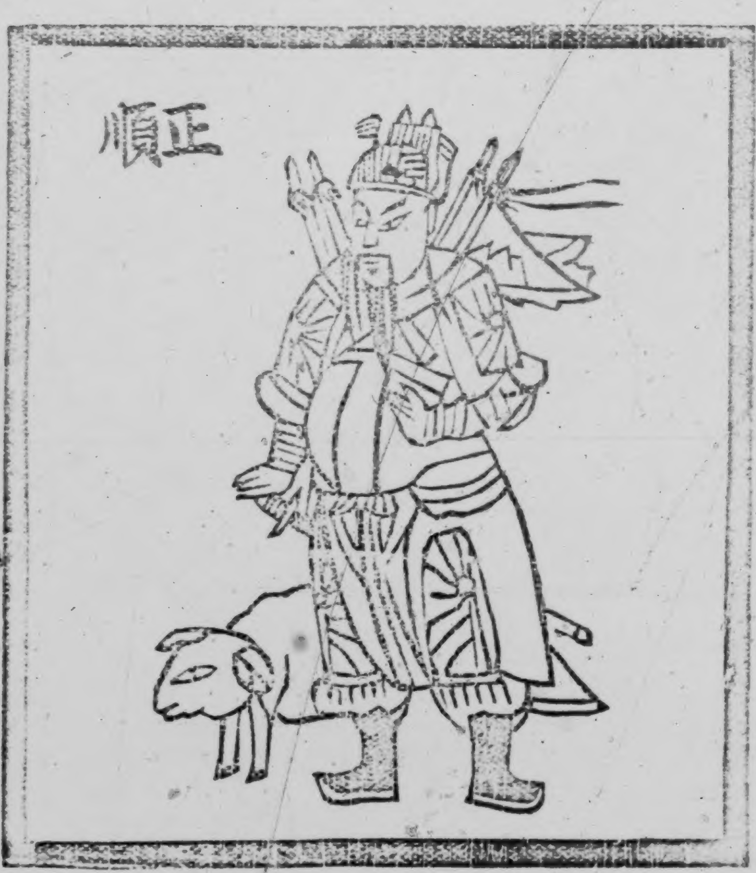

10.—*Cheng Sun* was a pig. He served with Kun San (No. 9) as a General.

Cheng Sun was born again as Hap Hai. Stake on Cheng Sun, Pit Taik, Chit Taik, Siang Chiow and Kun San when you dream of a boat sailing on a river, a man in the water, sending a present, a wedding, a pig, sailing with a favourable wind in the first moon, a boat going with the current, or 300 cash.

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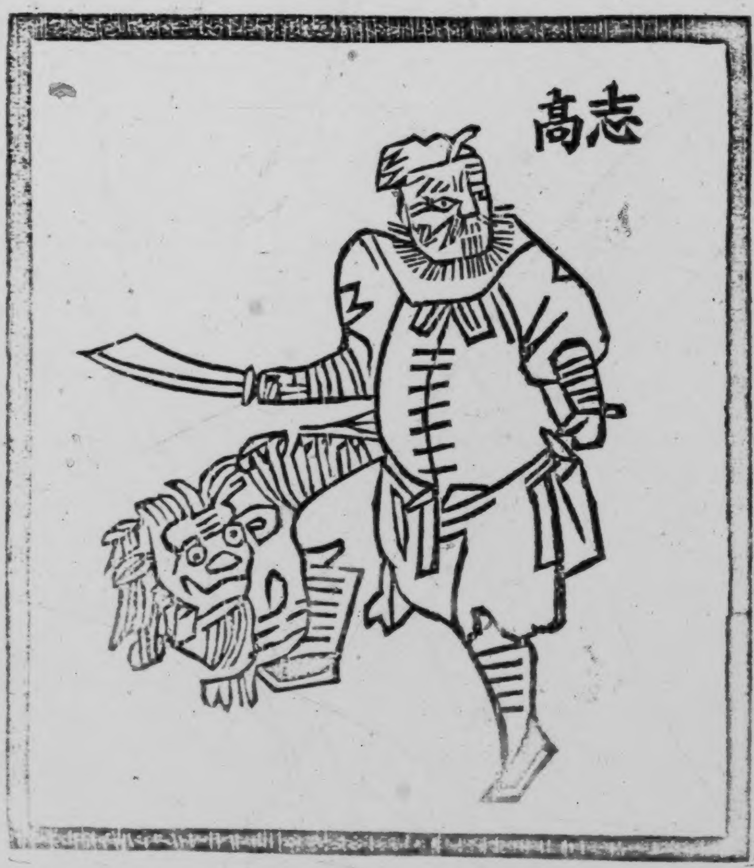

11.—*Chi Koh* was once a lion. He was a native of Tong King and an intimate friend of Kun San (No. 9) and one of Thai Peng's Generals.

Chi Koh was born again as Cham Khoi. Stake on Chi Koh, Kun San, Cham Khoi and Kiat Pin when you dream of ascending a height, a red face, a tall man, a youth, seeing the moon, a cool breeze, ascending a tower or stairs, an examination, or a lion fight.

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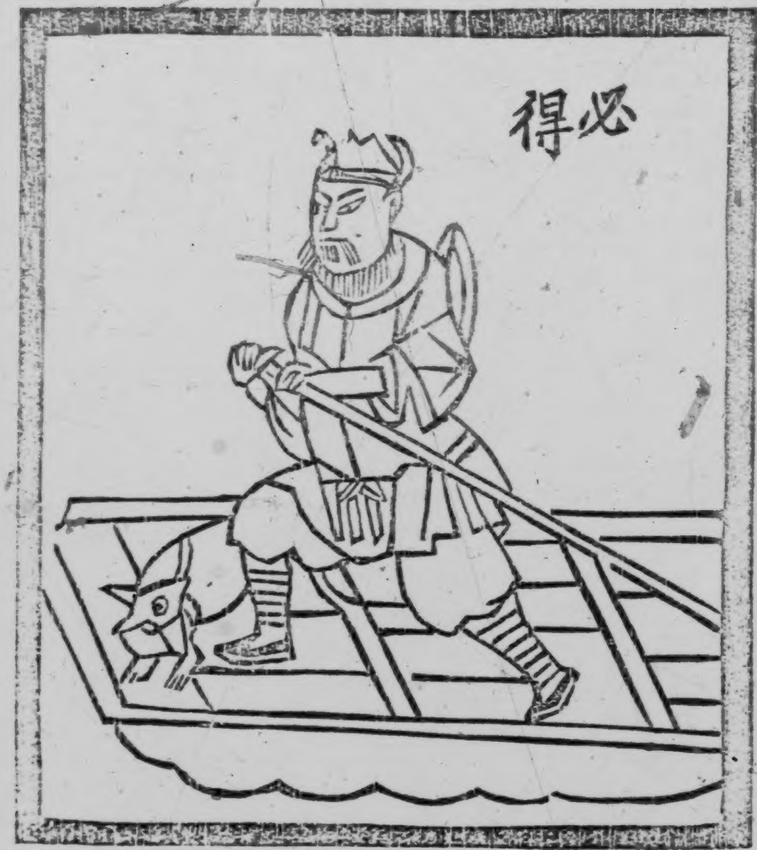

12.—*Pit Taik* was a mouse. Although very powerful, he remained a ferryman till Kun San (No. 9) appointed him the sixth General under King Thai Peng.

Pit Taik was born again as Hok San. Stake on Pit Taik, Guat Poh, Hok Sun and Chi Taik when you dream of a blossom, a tiger, people in a boat, a mouse eating rice, demanding money, eating tortoise, finding an article of value on the road, letting go a snake, or two brothers quarrelling.

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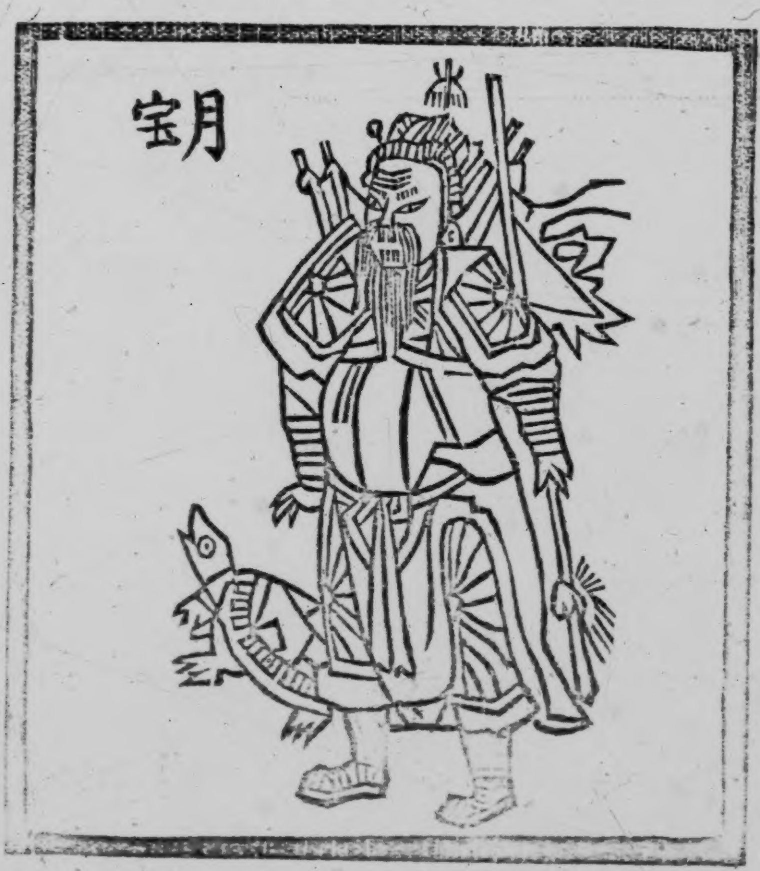

13.—*Guat Poh* was formerly a tortoise. His special duty was to guard the Imperial Palace. He had a son Han Hun (No. 14) and a daughter Beng Chu (No. 21).

Guat Poh ~~was born~~ again as Beng Chu. Stake on Guat Poh, Beng Chu, Han Hun and Pit Tuik when you dream of a man with a hat but no coat, a woman preparing rice, vermicelli, red objects, money, or valuables.

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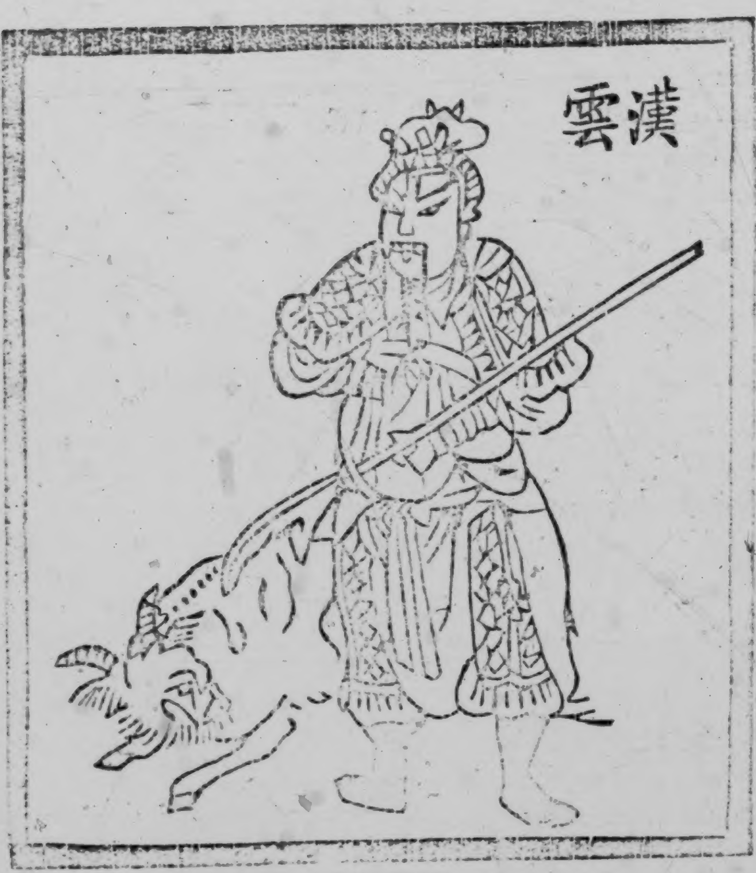

14.—*Han Hun* was a buffalo. He was afterwards a Mandarin, and while guarding the sea coast was defeated, for which he was sentenced to be torn in pieces by five horses. His father was Guat Poh (No. 13) and his sister Beng Chu (No. 21).

Han Hun was born again as Cheng Guan. Stake on Han Hun, Cheng Guan, Cheng Hun and Hoey Kwan when you dream of a dead body, a hill on fire, a man killing a horse, or a cow.

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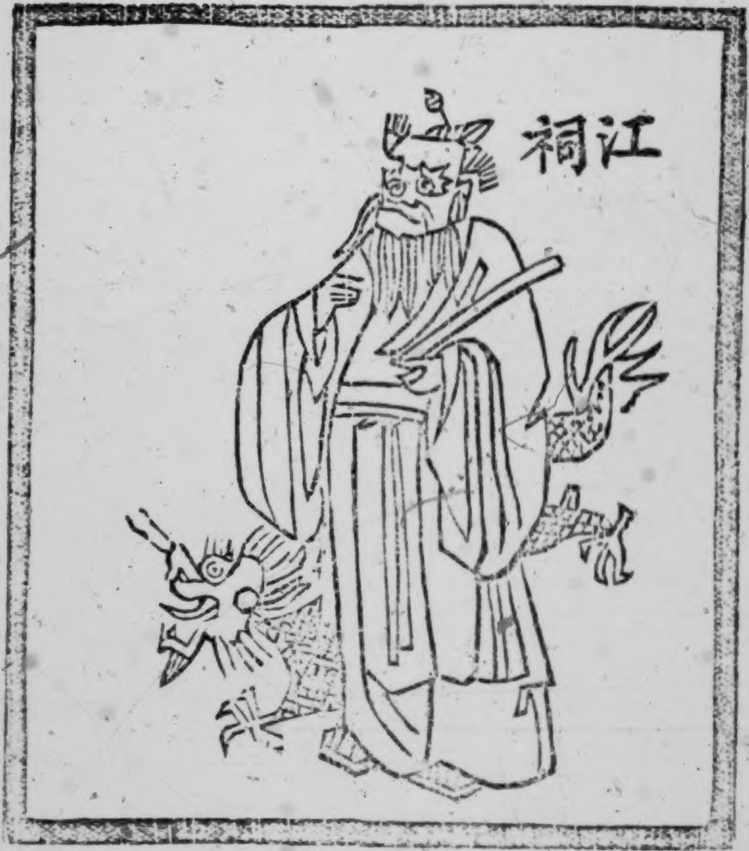

15.—*Kang Su* was a dragon of the Southern Sea. He was a friend of Pit Taik and was killed by the Chinese.

Kang Su was born again as Thian Sin. Stake on Kang Su, Thian Sin and the five dragon when you dream of a ferry-boat, a vessel bound for a foreign port, being in the sea, or seeing vessels, things or persons there.

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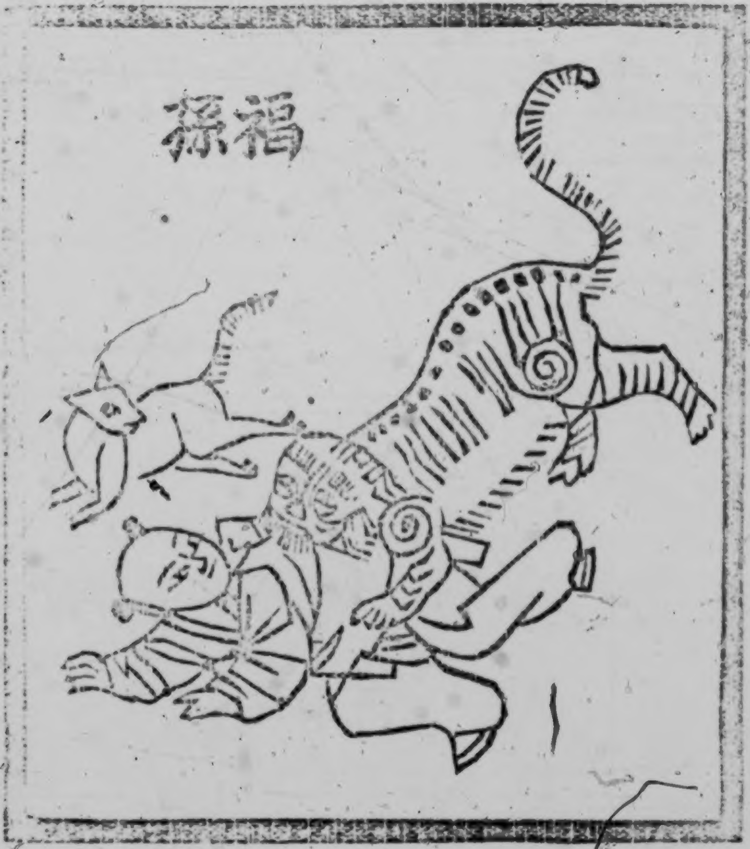

16.—*Hok Sun* was a dog. He then kept a medical shop and was killed by a tiger when employed in gathering herbs on the woods.

Hok Sun was born again as Pit Taik. Stake on Hok Sun, Kin Kwan, Pit Taik and Kun San when you dream of a woman crying or carrying a baby, planting, a tiger's roar, a dog's bite, eating dog's flesh, or a row in a medicine shop.

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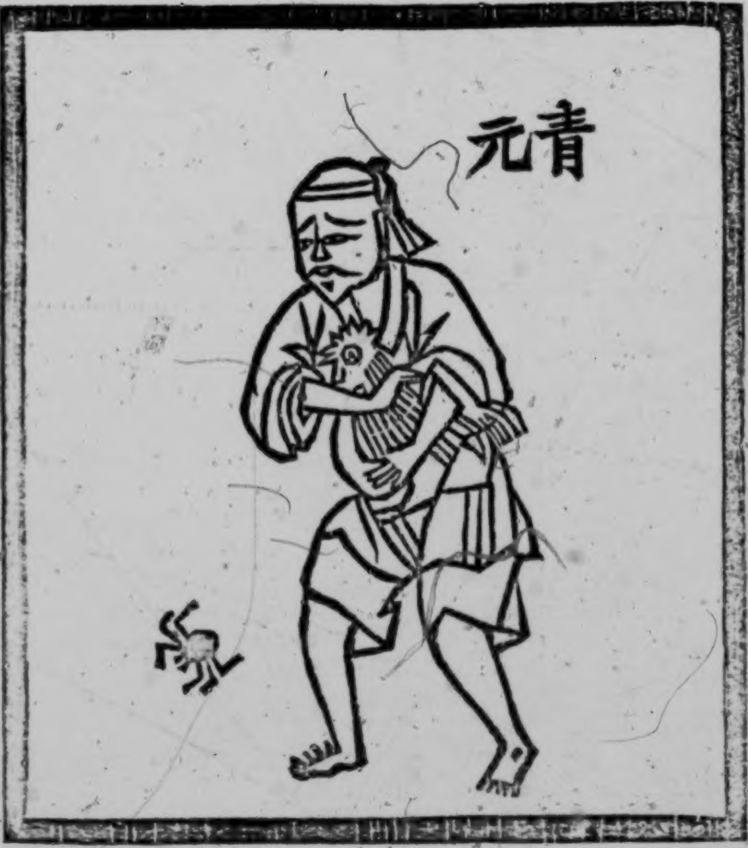

17.—*Cheng Guan* was once a spider. He was a great spendthrift while at college and became a beggar. He then took to stealing fowls.

Cheng Guan was born again as Han Hun. Stake on Cheng Guan, Han Hun, Cheng Hun and Kong Beng when you dream of literary competition, herbs, a green coat, a green pear, eating fruit, a fish with a horn, a fowl stealer, or a scholar.

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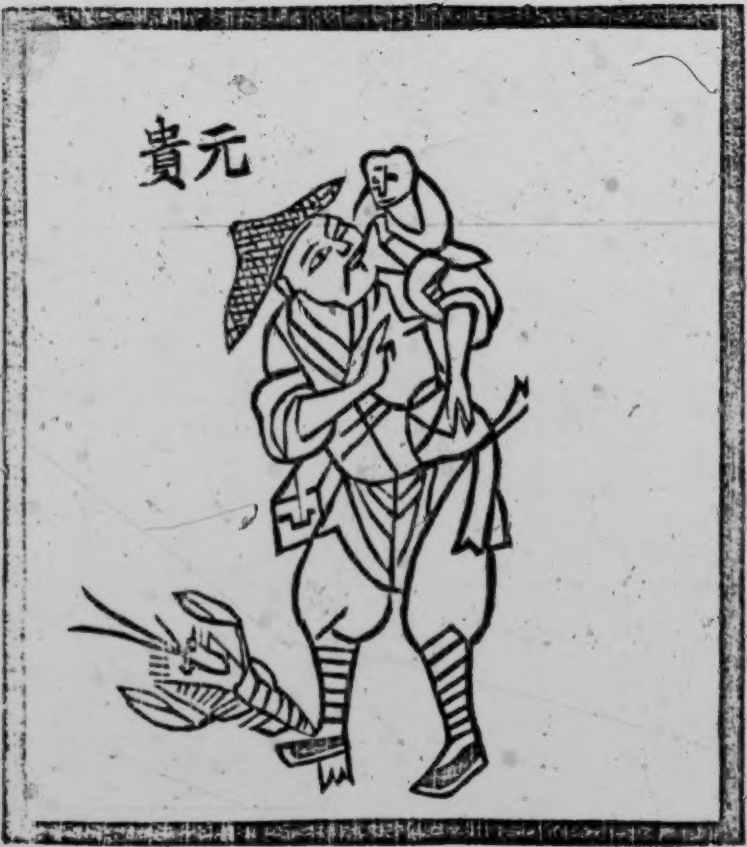

18.—*Guan Kwi* was once a prawn. He took to gambling and had a monkey which brought him in money by performing tricks.

Guan Kwi was born again as Thai Peng. Stake on Guan Kwi, Thai Peng, Sam Wei, Cheng Guan and Guan Kiat when you dream of a man singing about flowers, rice being dear, dear things, a beggar, a scholar in a ragged coat, a dog stealing rice carving mutton, a flag. a pomegranate, or a lame woman.

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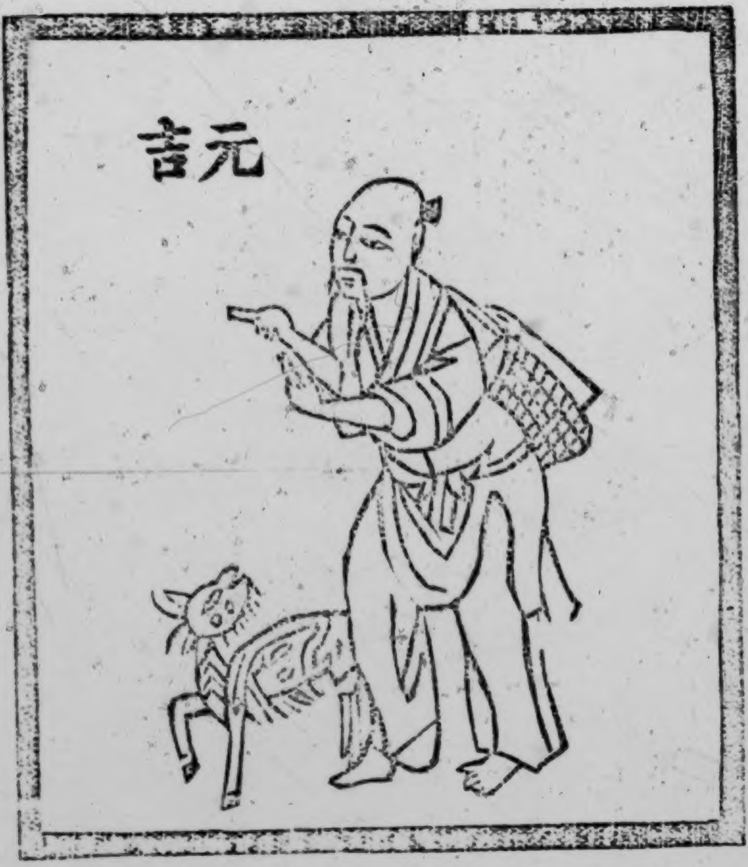

19.—*Guan Kiat* was a sheep. He became a Mandarin and was reduced to beggary by being robbed on his way to see his friend Thian Liang.

Guan Kiat was born again as An Su. Stake on Guan Kiat, An Su, Kiat Pin and Thian Liang when you dream of a reception of a General, a great excitement, a fire, dirt, an offering, a new born child eating, a jar of spirits with fruit, or a clear view.

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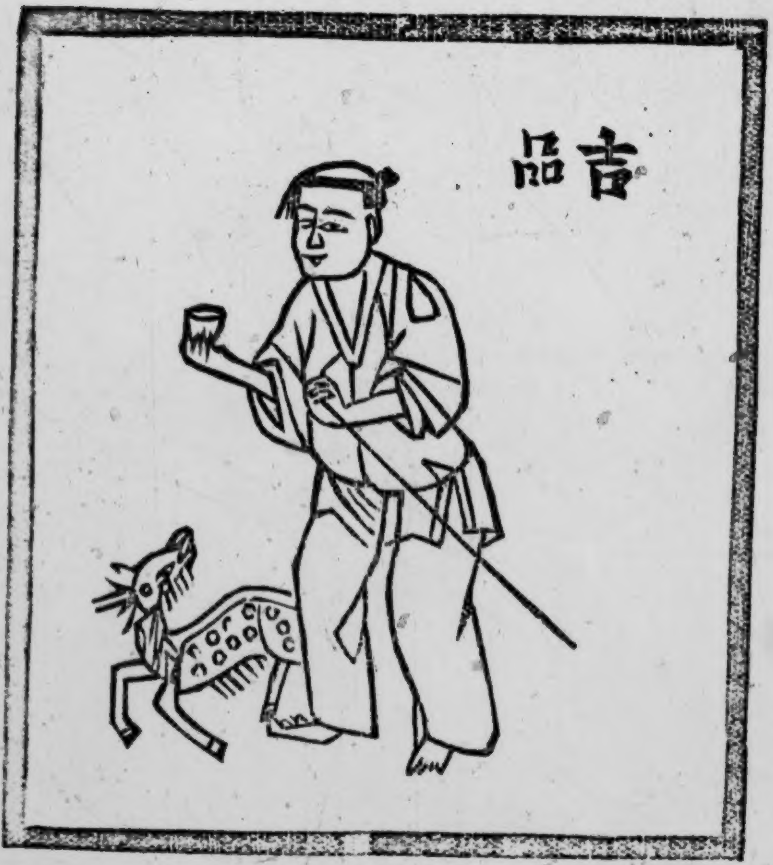

20.—*Kiat Pin* was once a deer. He became very rich, but was reduced to poverty by the Chinese.

Kiat Pin was born again as Kiu Kwan. Stake on Kiat Pin, Kiu Kwan, Sam Wei, Ban Kim and Guan Kiat when you dream of three cups of spirit, three men, three eggs, an old man, or three objects.

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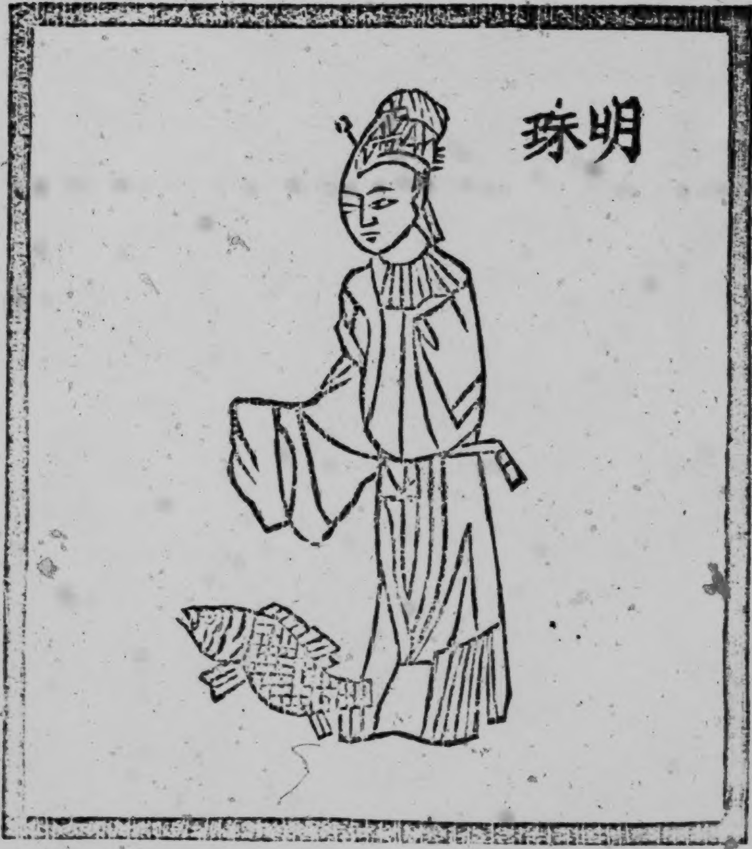

21.—*Beng Chu* was once a fish (usually called "The Stone"). She was the daughter of Guat Poh (No. 13) and the wife of Pan Kwi (No. 15) and the mother of Hong Chun (No. 6). She was a lady of the highest rank. The whole family were killed by the Chinese.

Beng Chu was born again as Guat Poh. Stake on Beng Chu, Guat Poh, Kong Beng and Hoey Kwan when you dream of anything red, spectacles, a women reading, wearing a gown, coming out of a door, or looking into a glass.

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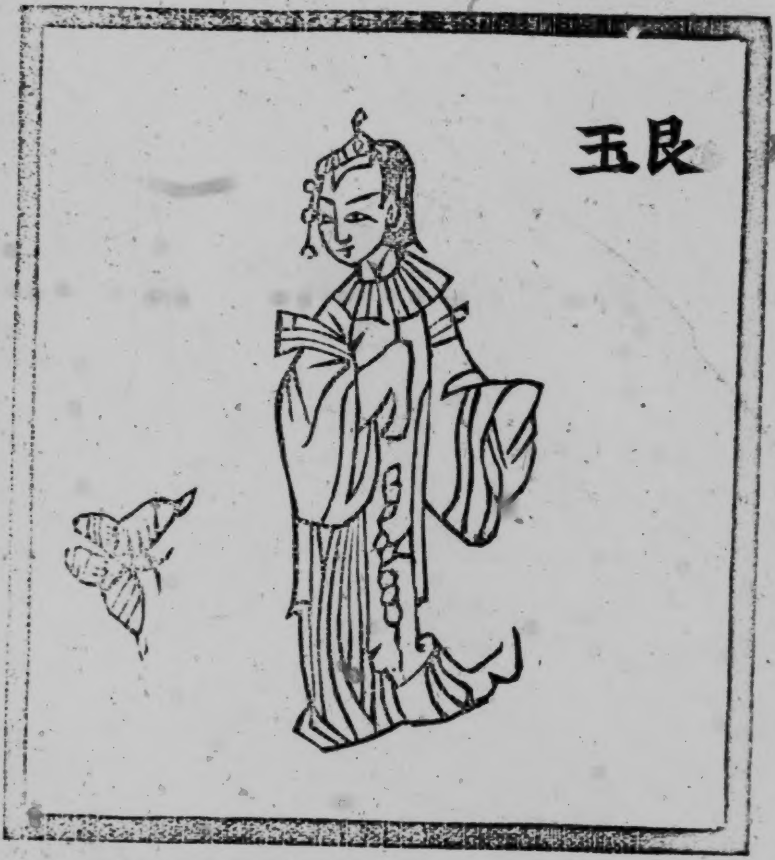
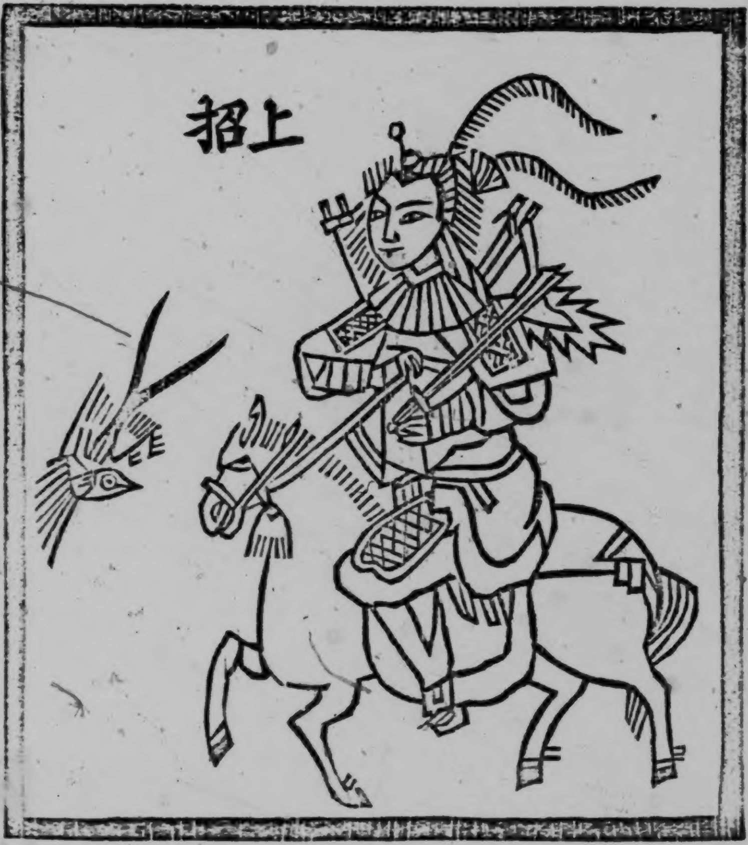


22.—*Kun Giok* or *Gin Giok* was a butterfly. She and her brother Thai Peng escaped from the conquering Chinese. When he became King he raised her to the second rank. Eng Seng (No. 7) was her son.

Kun Giok was born again as Hoey Kwan. Stake on Kun Giok, Hoey Kwan, Cheng Guan, Cheng Hun, Thai Peng and Mow Lim when you dream of a man eating meat, a woman combing her hair, a girl of loose character, a woman carrying a child or running.



23.—*Siang Chiow* was a swallow. When she was a girl she picked up on a mountain a book from which she learnt sorcery and was able to raise storms. Kun San (No. 9) regarded her as his sister. She married Hong Chun (No 6).

Siang Chiow was born again as Hap Tong. Stake on Siang Chiow, Kong Beng, Hap Tōng and Kun San when you dream of meeting a Magistrate, a marriage ceremony, a woman riding, rain coming down, an amazon, or beating a drum.

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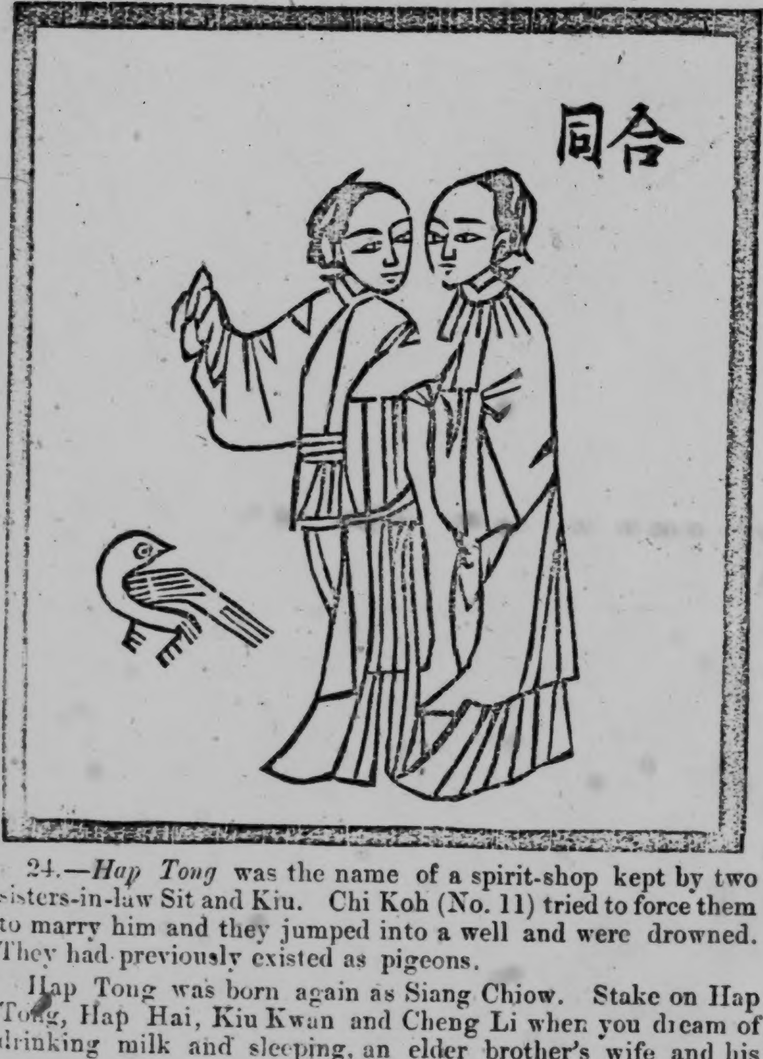

24.—*Hap Tong* was the name of a spirit-shop kept by two sisters-in-law Sit and Kiu. Chi Koh (No. 11) tried to force them to marry him and they jumped into a well and were drowned. They had previously existed as pigeons.

Hap Tong was born again as Siang Chiow. Stake on Hap Tong, Hap Hai, Kiu Kwan and Cheng Li when you dream of drinking milk and sleeping, an elder brother's wife and his younger sister walking together, a woman selling spirits, two persons under one covering, women drinking together, or two sisters marrying at the same time.

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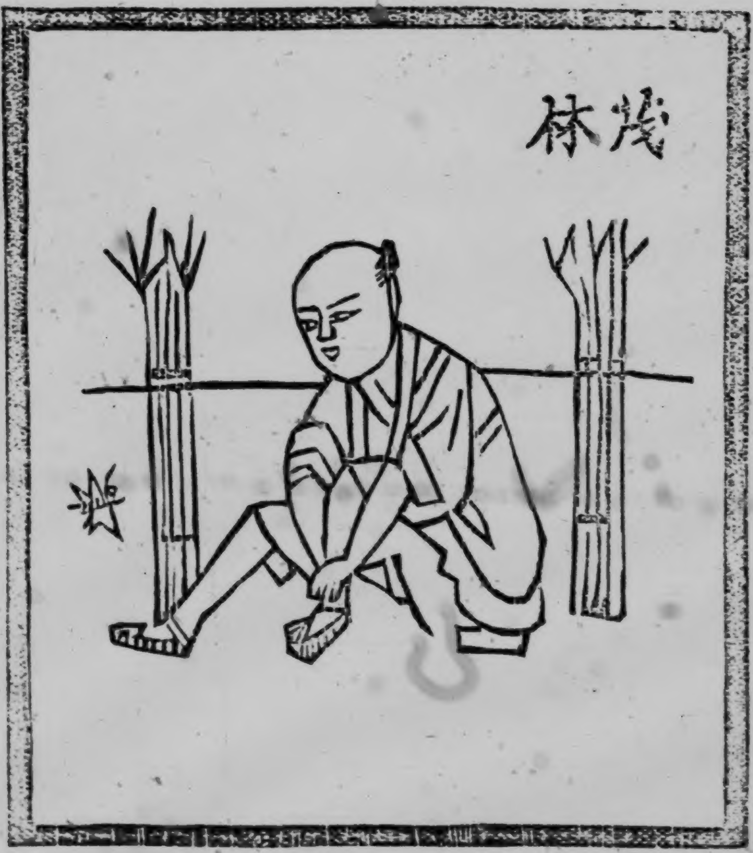
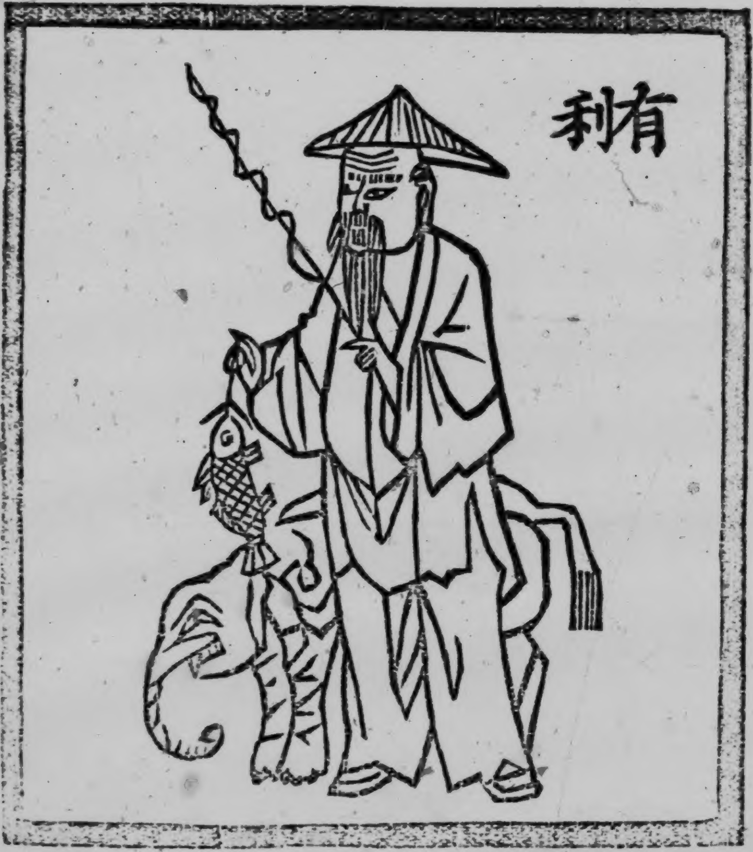


25.—*Mow Lim* was a bee. He was poor and got his livelihood by charcoal burning.

Mow Lim was born again as Pan Kwi. Stake on Mow Lim Pan Kwi and Hoey Kwan ~~when~~ you dream of heavy rain, branches weighed down, a hill on fire, the sky darkened, a temple, bee's-nest, cutting grass, a priest, charcoal burning, a piece of timber or hail.



26.—*Yu Li* was an elephant. He afterwards started a hotel and was a fisherman.

Yu Li was born again as Chit Taik. Stake on Yu Li, Chit Taik, Pit Taik and Cheng Li when you dream of cotton clothes, clearing jungle, making an oven, building a house, putting up beams, digging a grave, rearing ducks, an actor, ducks laying eggs, catching fish, paying money, or eating rice.

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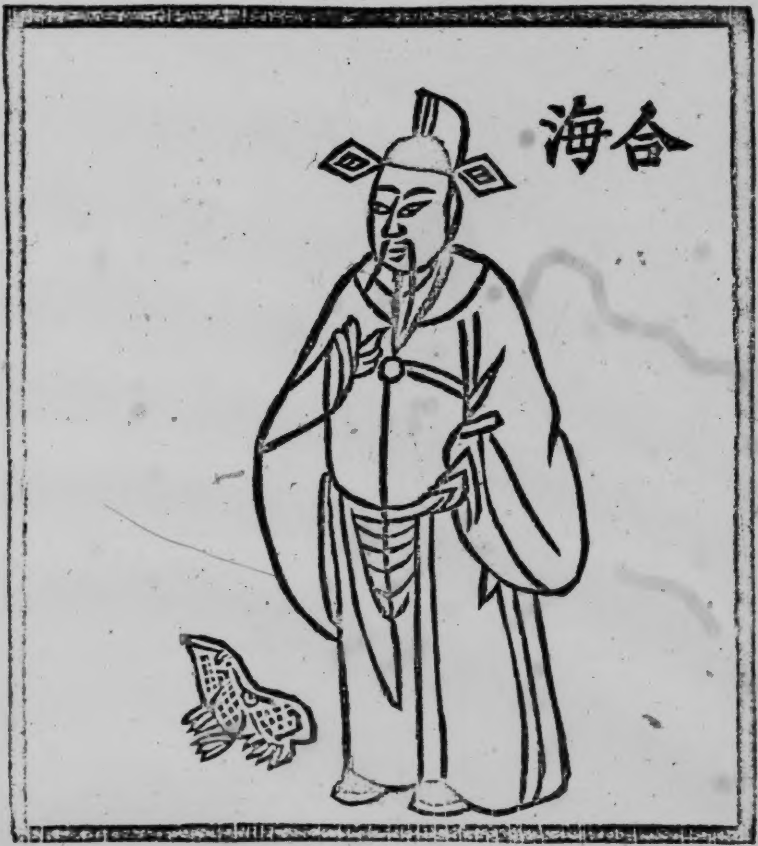

27.—*Hap Hai* was originally a frog. He was the son of Sam Wei (No. 2) and brother to Guan Kiat (No. 19) and Ban Kim (No. 32). He was killed by the Chinese.

Hap Hai was born again as Cheng Sun. Stake on Hap Hai Hap Tong and Pit Taik when you dream of a foreign vessel at sea, a louse, or an inundation.

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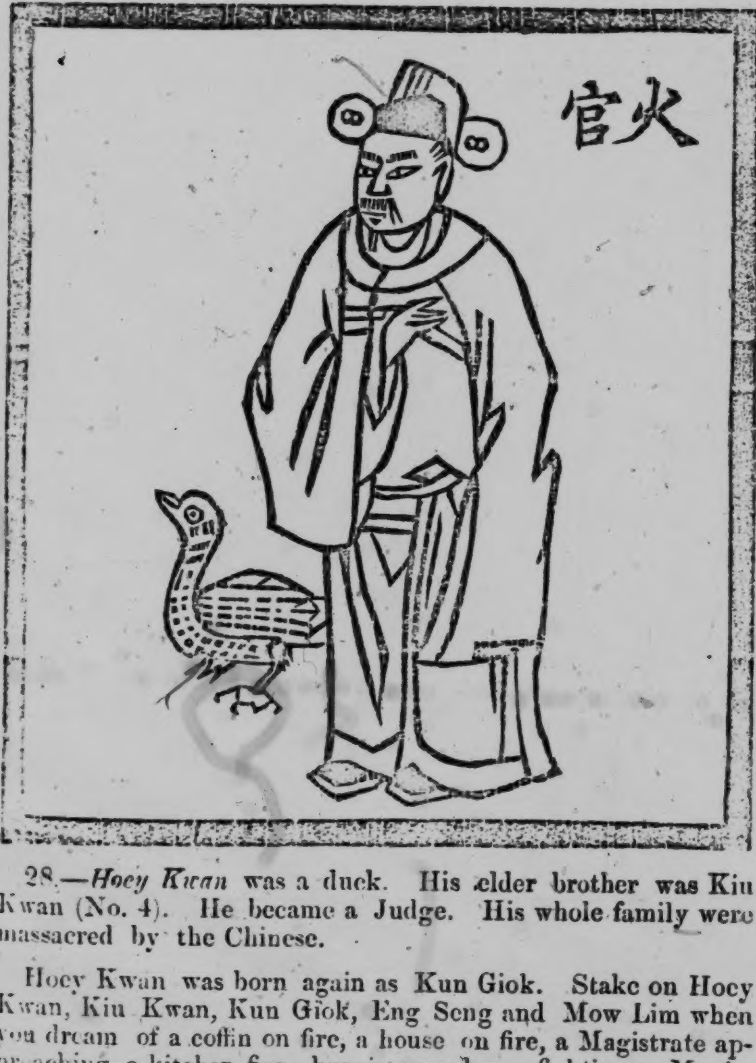

28.—*Hoey Kwan* was a duck. His elder brother was Kiu Kwan (No. 4). He became a Judge. His whole family were massacred by the Chinese.

Hoey Kwan was born again as Kun Giok. Stake on Hoey Kwan, Kiu Kwan, Kun Giok, Eng Seng and Mow Lim when you dream of a coffin on fire, a house on fire, a Magistrate approaching, a kitchen fire, burning crackers, fighting, a Magistrate seeing blood, the light of a lantern, a burning corpse, or a person dressed in cotton.

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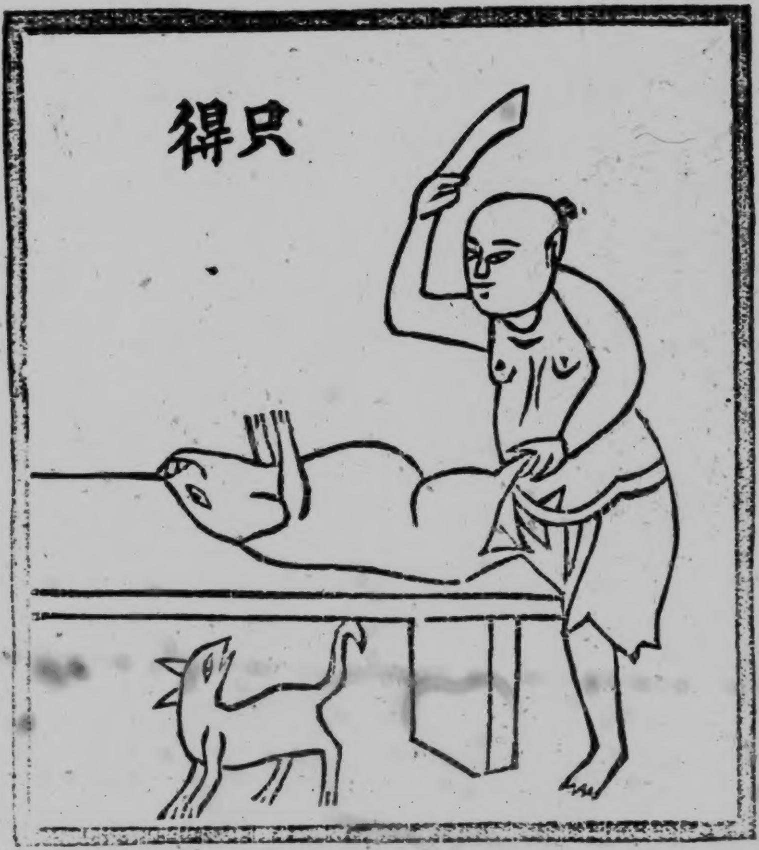

29.—*Chit Taik* was once a dog. He became a pork-butcher and was slain by order of Chen Kwi.

Chit Taik was born again as Yu Li. Stake on Chit Taik, Yu Li, Pit Taik, Kiu Kwan and Cheng Sun when you dream of fortune-telling, murder and blood, a butcher's shop, chess playing, much meat, a pomegranate, pointing to a pork butcher, beating a gong or drum, or a man becoming a pig.

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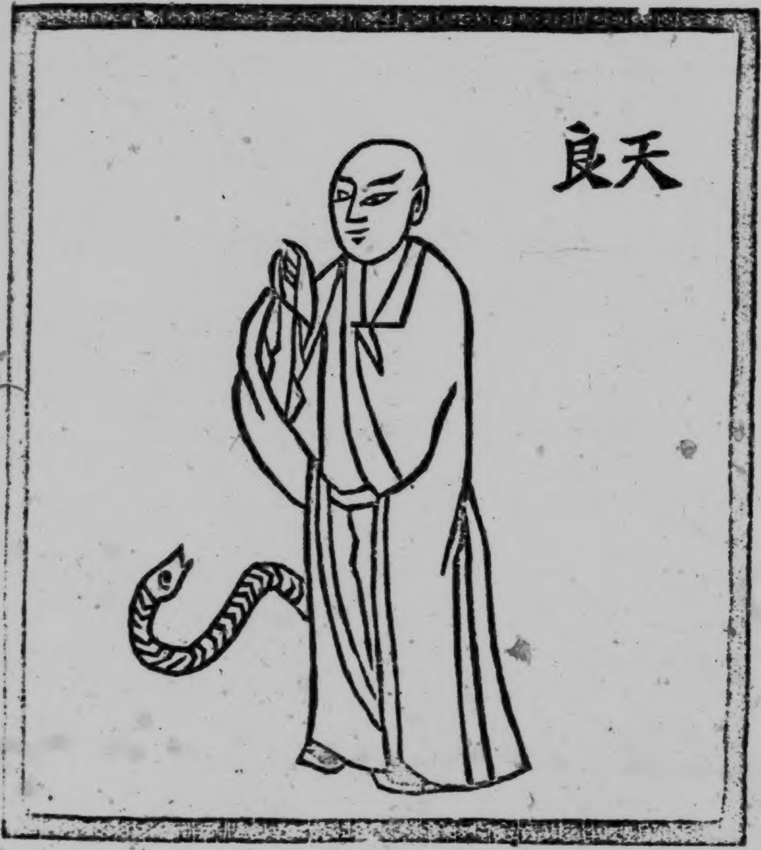

30.—*Thian Liang* was once an eel. He was a Sin Chei, but seeing he could rise no higher, he shaved his head and became a monk. He was employed by people to supplicate the gods to grant blessings, wealth and children.

Thian Liang was born again as Jit San. Stake on Thian Liang, Jit San, Thian Sin and Cheng Li when you dream of taking medicine, two men in the water, a large and small hat, digging a grave, a monk, rice, or an eel becoming a snake.

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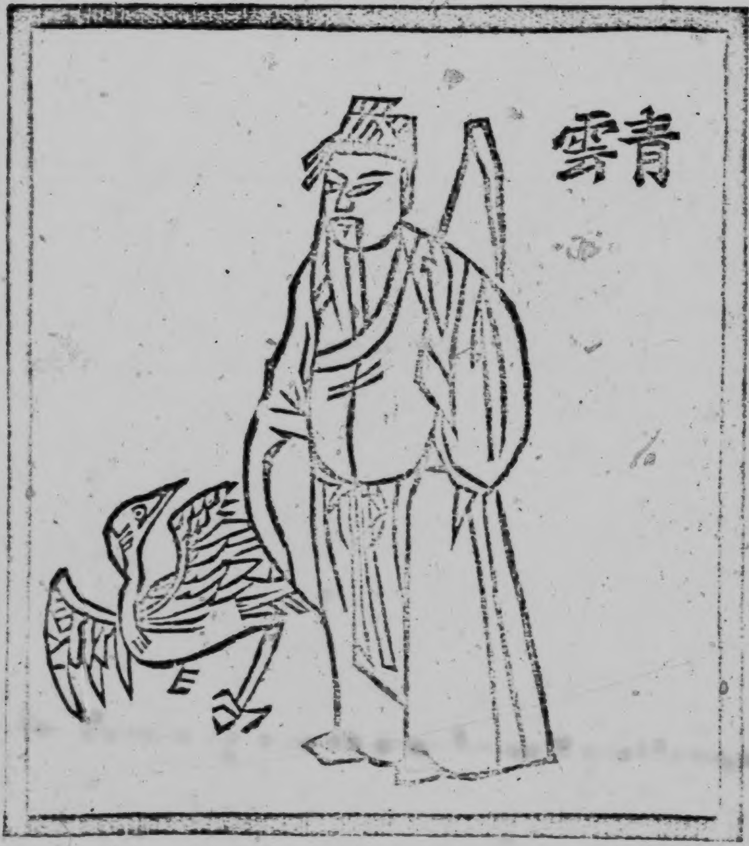
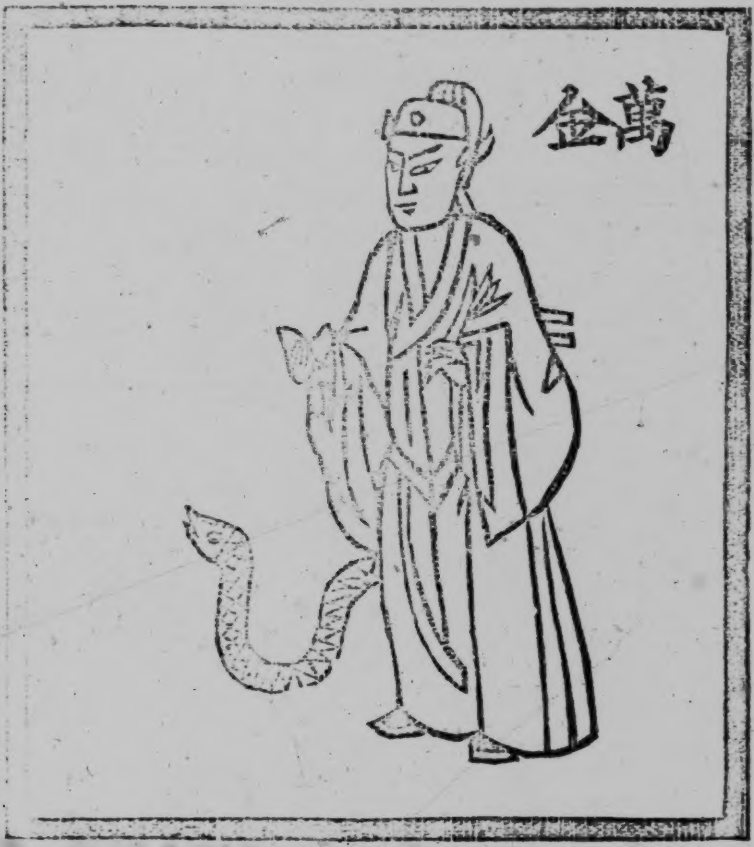


31.—*Cheng Hun* was a Stork. Owing to the intrigues of Chen Kwi he retired from Court and became a monk among the mountains.

Cheng Hun was born again as Kun San. Stake on Cheng Hun, Kun San and Cheng Guan when you dream of heavy rain, the death of a relative, meeting parents, smoke without flame, heavy clouds, a river with no means of crossing, acting, or a monk.



32.—*Ban Kim* was formerly a snake. He was the son of Sam Wei (No. [illegible]) and the younger brother of Hap Hai (No. 27) and Guan Kiat (No. 19). He led a retired life.

Ban Kim was born again as Eng Seng. Stake on Ban Kim, Eng Seng and the five dragons when you dream of a rich man, much money, collecting rent, a pair of gold flowers, a tortoise, a slave burning a coffin, or putting out a light.

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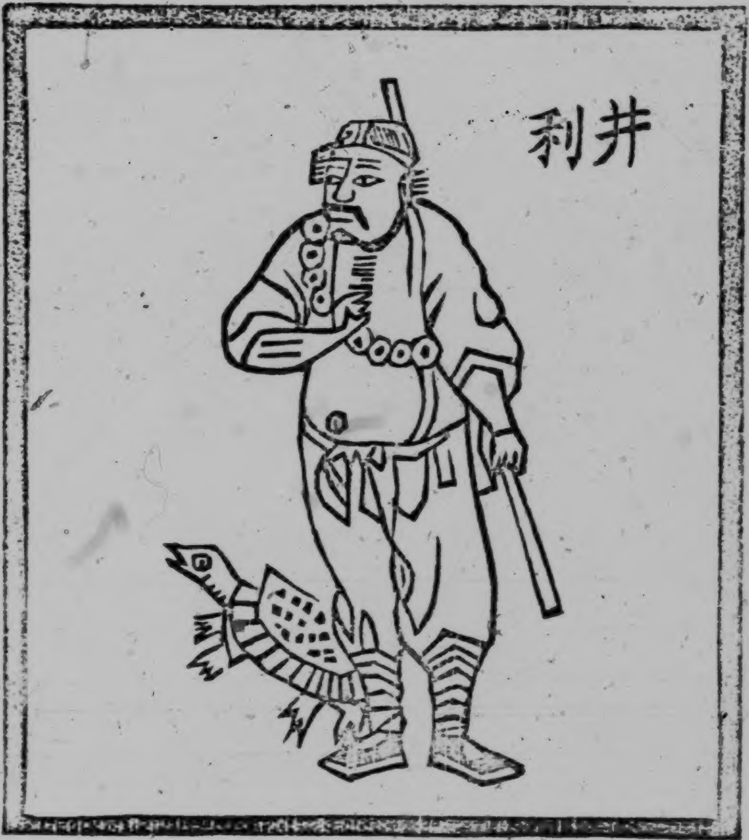
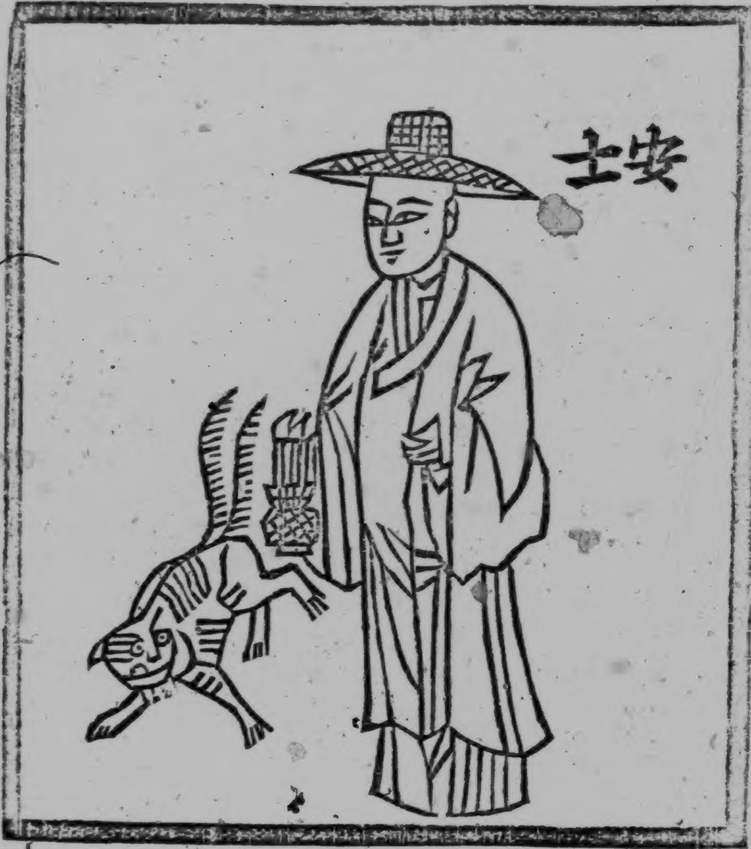


33.—*Cheng Li* was a turtle. His house of business having been burnt down he turned priest.

Cheng Li was born again as Sam Wei. Stake on Cheng Li, Sam Wei and Yu Li when you dream of being carried in a chair, a corpse in a well, cutting timber, creatures of the sea, murder and blood, a chair coolie, a marriage, a chair, baling water, a spirit-shop, a fire, or a turtle.

Il: Kynnersley U-3 (no date) 1885 AL1 Southeast Asia AL1

Chinese



31.—*An Su* previously existed as a fox. She was the wife of Guan Kwi (No. 18) and as her husband was poor, she shaved her head and became a nun.

An Su was born again as Guan Kiat. Stake on An Su, Kong Beng, Beng Chu, Guan Kiat and Guan Kwi when you dream of a happy nun, an old woman, a woman in man's attire, lighting joss sticks, meeting a raft, or a horse in motion.

11: Kynnersley U-3 (no date) 1885 AL1 Southeast Asia AL1

Chinese

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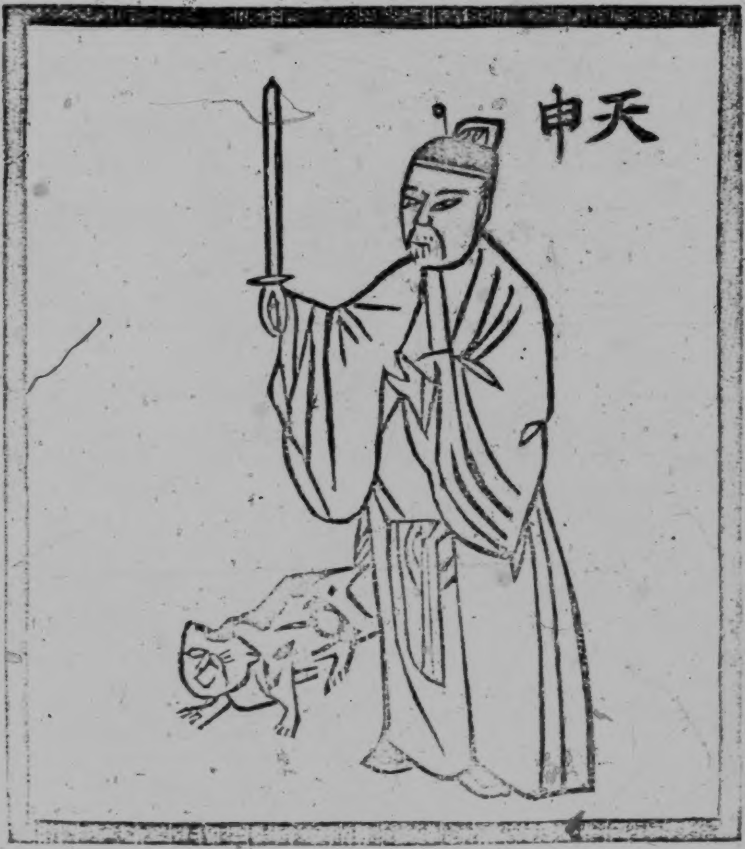

35.—*Thian Sin* was originally a wild cat. Having served under King Siong Ki, he turned monk.

Thian Sin was born again as Kang Su. Stake on Thian Sin, Thian Liang, Kang Su and Hoey Kwan when you dream of something in the sky, a water-pot, thunder, pointing to the sky, a horse running, or a woman without clothing.

Il: Kynnersley U-3 (no date) 1885 ALl Southeast Asia ALl

Chinese

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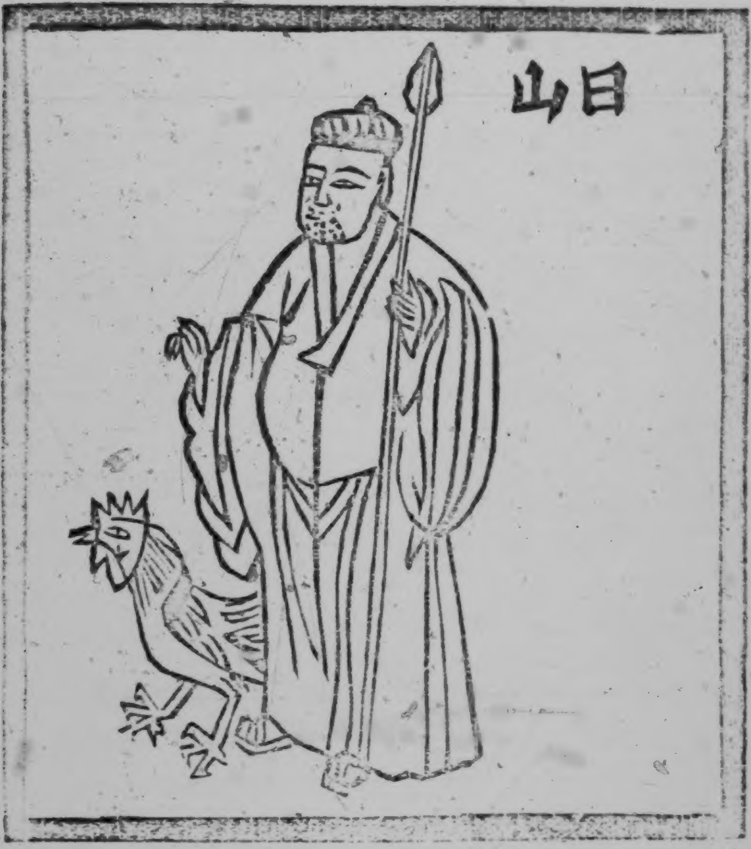

36.—*Jit San* was once a cock. He was extremely wealthy. but having been plundered by the Chinese he turned priest,

Jit San was born again as Thian Liang. Stake on Jit San, Thian Liang, Kun San and Eng Seng when you dream of wood and fire, going to school, the sun rising in the East and setting in the West, a man entering and coming out of a wood, a high hill or sunset.

11: Kynnersley U-3 (no date) 1885 AL1 Southeast Asia AL1

Chinese

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The accompanying diagram contains the names of all the thirty-six Hua-Hoey characters together with another Im Hoey not included in the ordinary lists. Each character is associated with a particular part of the human frame and this diagram is extensively used in interpreting dreams. Thus if you dream of ears you should stake on Thai Peng or Kun Giok, if of the neck on Jit San, and so on. The characters are here classified as follows :—

Four of the highest degree (Chong Guan), viz. :—

Tan Hong Chun, Tan Eng Seng, Tan Pan Kwi and Gaw Cham Khoi.

Seven Traders, viz. :—

Ang Yu Li, Chu Kong Beng, Chan Hok Sun, Liong Keng Su, Hong Mow Lim, Teh Pit Taik and Loh Chit Taik.

Four Priests, viz. :—

Low Cheng Li, Teh Thian Liang, Tan Jit San and Tioh Hoey Kwan.

Five Generals, viz. :—

Li Han Hun, Wi Kun San, Song Cheng Sun, Li Guat Poh and Wi Chi Koh.

Four Ladies, viz. :—

Siang Hap Tong, Beh Siang Chiow, Li Beng Chu and Lim Gin Giok.

Four Happy-lot, viz. :—

Lim Thai Peng, Tioh Kiu Kwan, Tioh Hap Hai and Tioh Sam Wei.

One Nun, viz. :—

Tan An Su.

Two Friars, viz. :—

Tioh Tian Sin and Chiu Cheng Hun.

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Chinese

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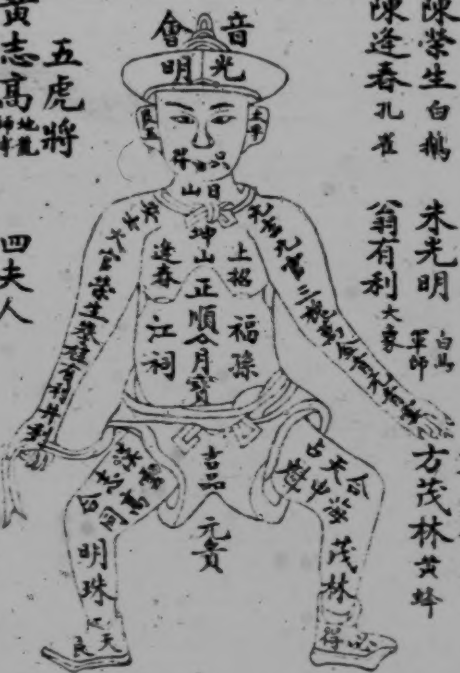
四狀元
吳占魁（白魚）
陳攀桂（田螺）
陳榮生（白鵝）
陳逢春（孔雀）


音
會
光
明
日山
坤山
上招
逢春
正順
福孫
江祠
月寶
吉品
元貴
明珠
天良
茂林
必得

五虎將
黃志高（地龍 [illegible]）
李月寶（兎）
宋正順（猪）
黃坤山（虎）
李漢雲（牛）

七生理
龍江祠（飛龍）
田福孫（白狗）
朱光明（白馬）（軍師）
翁有利（大象）

四夫人
林良玉（蚨蝶）
李明珠（玉石）
馬上招（白燕）
雙合同（白蛤）

羅只得（野猫）
鄭必得（老鼠）
方茂林（黃蜂）

四好命
張三槐（猴子）
張合海（蛤世）
張九官（鷂鷹）
林太平（龍）

四和尚
張火官（龜）
陳日山（鷄）
鄭天良（蟮）
劉井利（鯉）

五乞食
徐元貴（蜈公）
張萬金（大蛇）
蘇青元（蜘蛛）
張元吉（鹿）
陳吉品（羊）

二道士
周青雲（白鶴）
趙天申（金獅）（猫）

一師姑
陳安士（狐狸）

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Chinese

[p.242B]

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占魁	良玉
板桂	明珠
榮生	上招
逢春	合同
志高	三槐
月寶	合海
正順	九官
坤山	太平
漢雲	火官
江祠	日山
福孫	天良
光明	井利
有利	元貴
只得	萬金
必得	青元
茂林	元吉
青雲	吉品
天申	安士
音會	合共銀

525 Five Beggars, viz. :—

Tan Kiat Pin, Tioh Guan Kiat, So Cheng Guan, Tioh Ban Kim and Chi Guan Kwi.

The Lottery is thus conducted in the Straits:—A person wishing to open it, issues a notice that on a certain date he will open Hua-Hoey under a certain chop and that he will be responsible to all winners who stake up to such and such an amount either with him or his agents.

These Agents go round, and, according to agreement, are allowed to receive stakes up to a certain limit, say $2, but on their own account they may receive larger stakes. They carry what are usually termed *hongs*, *i. e.*, papers on which the stakes are entered. In case the staker is well known to the agent, no acknowledgment is given, but the staker may receive a ticket or scrap of paper, or else he writes down on a slip of paper, which he hands to the agent, the names of the animals he wishes to stake on and the amount. The accompanying is a specimen of the staking papers used in Hua-Hoey.

1	White fish—Cham Khoi
2	Shell or Dragon—Pan Kwi
3	Goose (White)—Eng Seng
4	Peacock—Hong Chun
5	Lion or Earth-worm—Chi Koh
6	Rabbit or Tortoise—Guat Poh
7	Pig—Cheng Sun
8	Tiger—Kun San
9	Buffalo—Han Hun
10	Alligator or Dragon—Kang Su
11	White Dog—Hok Sun
12	White Horse—Kong Beng
13	Elephant—Yu Li
14	White Cat or Dog—Chi Taik
15	Mouse—Pit Taik
16	Wasp or Bee—Mow Lim
17	Stork—Cheng Hun
18	Cat—Thian Sin

Chinese

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19 Butterfly—Kun Giok
20 Stone or Cricket—Beng Chu
21 Swallow—Siang Chiow
22 Pigeon—Hap Tong
23 Monkey—Sam Wei
24 Frog—Hap Hai
25 Sea Hawk—Kim Kwan
26 Dragon—Thai Peng
27 Tortoise or Duck—Hoey Kwan
28 Cock—Jit San
29 Eel—Thian Liang
30 Turtle or Carp—Cheng Li
31 Lobster—Guan Kwi
32 Snake—Ban Kim
33 Spider—Cheng Guan
34 Sheep or Deer—Guan Kiat
35 Deer or Goat—Kiat Pin
36 Ghost or Fox—An Su

There are, it will be seen, thirty-six columns, at the head of each of which is the sign of one of the Hua-Hoey characters. The marks* (which have a conventional meaning) and figures (Chinese) represent the amount either cents or dollars staked on each animal and the last column is the total of stakes received. A person wishing to stake a large amount, say $5 or $10, on an animal will sometimes write the name on a piece of paper and seal it up, delivering it with the stake to the manager of the Hua-Hoey or an agent.

The lottery is opened twice a day, usually at noon and 6. P.M., and at the appointed hour the winning number (animal) is exhibited, and the result declared in the streets. Previously to this, the agents have brought in their staking papers. If the lottery is worked fairly, of course the manager who declares the winning number should be ignorant as to the amounts staked on the different animals. In China, the papers on which the stakes are entered are folded up in a packet and are not inspected till the winner has been declared, when the winning tickets are chopped and the owners of them are paid.

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* Generally entered in pencil.

Chinese

In the Straits, these lotteries are not fairly worked, and the animal least favoured by the public is often the winner. Stakers receive thirty times their stake, less a small commission paid to the agent, from whom they receive their winnings, and this leaves a good margin of profit for the bank. A manager, for the sake of gain, or out of spite, has been known to stake by deputy a large amount with one of his agents on the animal which he means to declare as the winner. The agent is "broke" and those who have staked on the winning animal are defrauded of their gains. This is only one of the many ways of swindling practised in regard to these lotteries in the Straits.

It must not be supposed that it is only the Chinese who gamble at Hua-Hoey. The wealthy Baba, born in the Straits, the respectable trader, their wives and daughters, the petty shopkeeper and the coolie who works by the day, Klings and Malays, women and children, all alike are unable to resist the temptation to gamble. The Manila lottery is only drawn once a month. Manila is a long way off, and the chance of winning a prize is very remote, still it has its fascinations for the practical Englishman and even the cautious Scotchman has been known to invest his money in this speculation year after year. The Hua-Hoey lottery is drawn twice every day in different parts of the town and the excitement is ever fresh. An outlay of 10 cents, which is within the means of any coolie, may bring in $3.

Women are largely employed in the Hua-Hoey business, while their husbands are at the shop or sailing (as they appear to be very often). They spend their idle time in collecting stakes and staking themselves. They have diamonds and gold ornaments in profusion, and while any of these remain, they can gamble to their heart's content.* Those lower in the social scale, unblessed with diamonds or ready money, beg, borrow or steal in order that they may gamble.

Dreams play a great part in Hua-Hoey and the confirmed Hua-Hoey player gets to think of nothing else but the chance of his winning on the morrow. According to his dreams, he stakes.

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* A few days ago the wife of a trader in Penang having lost at Hua-Hoey ever $1,000 during his absence tried to commit suicide.—(Febuary, 1886.)

Chinese

It is no exaggeration to say that Hua-Hoey gambling corrupts and brings to ruin thousands of people—men, women and children but how to check it and minimise the evil is a very difficult question.

The common gaming houses in town are well known to the Police. They are defended by strong iron barred doors, have ladders, trap-doors and escapes and are always ready for a raid by the Police. Premises have to be hired and fitted up for the purpose, and there is a certain amount of risk in the undertaking, but a Hua-Hoey lottery can be opened anywhere, in a shop, a private house or a Kampong. The result is not often declared at the same place and without a warrant the Police cannot enter a building. All kinds of artifices are practised when the winning number is exhibited in order to escape detection by the Police. Sometimes the character is marked on a piece of yam or sweet potato and swallowed if the Police appear: or it is written on the palm of the hand or on the sand and quickly rubbed out. Instead of the well known Hua-Hoey characters the numbers corresponding with them on the lottery papers are now frequently used and it is extremely difficult for the Police to procure satisfactory evidence against the principals engaged in the business.

The agents with their lottery papers, pencil and stakes collected are sometimes arrested and fined, but it has been held by a learned Judge that the possession of these "tickets," as they are called, is no offence. In Burma it was held by one high judicial functionary that the thirty-six animals game was not gambling within the meaning of the Act in force there.

The more respectable Chinese are fully alive to the widespread mischief caused by these Hua-Hoey lotteries and a memorial, printed as an Appendix[1] to this paper, has been recently addressed to the Legislative Council by certain Chinese inhabitants of Penang praying that most stringent measures should be adopted for their suppression.

C. W. SNEYD KYNNERSLEY.

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[1] [omitted from file -- Analyst]

11: Kynnersley

563, 773, 787

ALl Southeast Asia ALl

[For information concerning mythical beings, and the role of dream interpretation in relation to "a description of the Chinese lottery known as Hua-Hoey", see category 116, the entire source.]